















Cha Crocker



CHRONICLES  
OF  
THE BUILDERS  
OF THE  
COMMONWEALTH

Historical Character Study

BY  
HUBERT HOWE BANCROFT

VOLUME VI

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## VOLUME VI.

|                           | PAGE          |
|---------------------------|---------------|
| CHARLES CROCKER.....      | Frontispiece. |
| GEORGE H. SISSON.....     | 161           |
| JOSIAH FAILING.....       | 439           |
| HENRY FAILING.....        | 455           |
| JAMES STEEL.....          | 488           |
| DONALD MACLEAY.....       | 500           |
| ADOLPH G. RUSS.....       | 533           |
| JOSEPH P. HALE.....       | 543           |
| GEORGE H. BONERRAKE.....  | 551           |
| ALBERT MILLER.....        | 564           |
| JOSEPH EMERIC.....        | 574           |
| ORVILLE D. BALDWIN.....   | 588           |
| CHAUNCEY H. PHILLIPS..... | 599           |
| JEROME B. WHEELER.....    | 619           |

(iii)



# CONTENTS OF THIS VOLUME.

---

## CHAPTER I.

PAGE

### SURVEYS AND EXPEDITIONS.

- Communication Past and Present—Ebbets, Ingalls, Simpson's, and Other Expeditions—Bryan, Lambert, Dickerson, Amary, and Warren—Whipple, Williamson, Parke, and Pope's Surveys—The Thirty-fifth Parallel Route—Table of Routes, Distances, Altitudes, and Expenses—The Thirty-second Parallel Route—Ives' Explorations on the Colorado—Explorations and Surveys in the Northwest..... 1

## CHAPTER II.

### LIFE OF CHARLES CROCKER.

- Latter-day Development—Ancestry and Education—Early Adventures—Journey to California—Business and Political Career at Sacramento—Organization of the Central Pacific—Railroad Project—Action of Congress—State and County Subsidies—Lawsuits and Misrepresentation—Financial and Engineering Difficulties—The Race with the Union Pacific—The Southern Pacific and Other Railroads—Benefit to State and People—Discrimination—Irrigation System at Merced—Wife and Family—Residence—Silver Wedding—Decease and Obsequies—Tributes of Respect—Appearance and Character..... 33

## CHAPTER III.

### RAILWAYS—MEASURES BEFORE CONGRESS.

- Official Intelligence and Patriotism—Disinterestedness of Legislators—Position of California—Comparison of Later with Earlier Views—A Power in Politics—Overland Routes and Secession—Sponsorial Army—A Necessity of War—Passage of the Pacific Railroad Bill. 70

## CHAPTER IV.

### RAILWAYS—DEVELOPMENT IN CALIFORNIA.

- Condition of Affairs—Early Legislation—Popular Feeling—Surveys and Proposals—Organization of Companies—Local Efforts Tending Eastward—Routes and Passes—Manipulations and Quarrels—Arbitrary Measures—Wars, Defeats, and Failures—Rise and Progress of the Central Pacific—California Steam Navigation Company—Various Other Companies—Opening of the Western Pacific..... 113

## CHAPTER V.

LIFE OF GEORGE H. SISSON.

PAGE

|                                                                                                                                                                                                                                                                                                                                              |     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Colonization, Ancient and Modern—Ancestry—John Boltinhouse—Uriel Sisson—Allan Sisson—Boyhood and Education—Wife and Children—Mrs Sisson's Ancestry—The Reverend Edward Scofield—Robert Orr—Career in Chicago—Success and Disaster—Mining Experience—The Mexican International Company—Other Enterprises—Summary of Character and Career..... | 161 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER VI.

RAILWAYS—THE CENTRAL PACIFIC COMPANY.

|                                                                                                                                                                                                                                                                                                                                                                                  |     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Overshadowing Influences—Incipiency and Early Struggles—San Francisco Convention—Sacramento versus San Francisco—Congressional Action and Influence—Theodore D. Judah—Subsidies and Subscriptions—Construction Company—Difficulties—Local Legislation—Adverse Criticism—Building Methods—A Race for Supremacy—Driving the Last Spike—New Lessons in Industrial Politics. . . . . | 206 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER VII.

RAILWAYS—UNION PACIFIC AND OTHER LINES.

|                                                                                                                                                                                                                                                                                                                                                          |     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Union Pacific Organization and Efforts—Kansas Pacific—Manipulations and Combinations—Denver and Rio Grande—Atchison Topeka and Santa Fé—Junction of the Union Pacific and Central Pacific—Credit Mobilier—Difficulties Encountered—Traffic of the Union Pacific—Far-reaching Influences of This and Other Intermontane Roads as Factors of Progress..... | 243 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER VIII.

RAILWAYS—IN THE SOUTH.

|                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| A Southern Route Early Advocated—Along the Thirty-fifth Parallel—The San Diego Line—Solid Men of Boston—Powers of Congress Questioned—Thirty-second Parallel Route—Effect on National Union—Organization of the Texas Western—Legislation—Construction—Agitation at San Diego—Organization and Surveys of the San Diego and Gila Southern Pacific and Atlantic Railroad Company—Los Angeles in the Field—Atlantic and Pacific..... | 263 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER IX.

RAILWAYS—THE SOUTHERN PACIFIC, ATLANTIC AND PACIFIC, AND OTHER LINES.

|                                                                                                                                                                                                                                                                                                                                                     |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Surveys South from San Francisco Bay—San José and Gilroy—Southern Pacific Branch—Land Troubles—War with the Settlers—Thirty-second and Thirty-fifth Parallels—San Diego Terminus—Texas Pacific—Central Pacific Policy—Goat Island and Mission Bay—Colorado River Company—Manipulations of the Construction Companies—San Diego and Los Angeles..... | 281 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|



# CHAPTER X.

RAILWAYS—NEVADA AND UTAH.

PAGE

Trails of the Trappers and Pioneers—Along the Humboldt and through the Truckee Pass—The First Wagoners—Toll-roads and Bridges—Stage and Mail Lines—Pony Express—Telegraphs—Era of Railways—Virginia and Truckee—The Central Pacific—Nevada Central—Carson and Colorado—Other Railways of Nevada—Network of Roads and Railroads in Utah—Union and Central Pacific—Denver and Rio Grande—Utah Central—Sanpete Valley Railway—Utah Southern—Utah and Northern—Salt Lake and Western—Utah and Nevada—Bonded Indebtedness—Steamers on Great Salt Lake.... 322

# CHAPTER XI.

RAILWAYS—WYOMING AND COLORADO.

Configuration—The First Persons through the South Pass—Explorations and Wagon Traffic—Rise and Fall of Towns—Railway Building—Oregon Short Line—Effect of Railroads on the Wilderness—The First Trails in Colorado—Expeditions of Pike and Long—Trappers West of the Rocky Mountains—Explorations—Wagon-roads and Stage Lines—Railway and Telegraph Lines—Denver Pacific—Denver and South Park—Denver and New Orleans—Denver Utah and Pacific—Denver Circle—Denver and Rio Grande—Atchison Topeka and Santa Fé, and Others. .... 336

# CHAPTER XII.

RAILWAYS—NEW MEXICO, ARIZONA, AND TEXAS.

Overland Stage Route—Cooke's Wagon-road—Explorations and Surveys—Atlantic and Pacific Railroad—Southern Pacific—Central Arizona—Atchison Topeka and Santa Fé—Texas a Magnificent Field for Road-building—Intercourse with Mexico—Houston and Texas Central, or the Galveston and Red River Company—Buffalo Bayou Brazos and Colorado, or the Galveston Harrisburg and San Antonio—Houston and Great Northern—Houston and New Orleans—Houston West and East Texas—Texas Mexican—Fort Worth and Denver. .... 348

# CHAPTER XIII.

RAILWAYS—MEXICO AND CENTRAL AMERICA.

Routes of the Aztec Commercial Caravans—Their Pathways and Suspension Bridges—Pack-trains of the Spaniards—Improvement of Roads—Vera Cruz and Mexico Railway—Cost of the Enterprise—Mexican National—The International—Telegraphic Service—Mexican Central—Tehuantepec Ship Railway—Pacific Coast Railway and Other Projects—Highways of the Mayas—Central American and Isthmus Railways—Ship-canal Projects—The Panama Isthmus. 357

## CHAPTER XIV.

## RAILWAYS—OREGON, WASHINGTON, IDAHO, AND MONTANA. PAGE

|                                                                                                                                                                                                                                                                                                                                                                                                                                      |     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Early Road-making—Ferries—River Routes and Ocean Navigation—<br>Mail Service—Northern Pacific Railway—Surveys—Congressional<br>Action—Stimulation of Development—Early Efforts in Oregon—<br>Oregon and California—Willamette Valley—Oregon Central—East<br>Side versus West Side—An Historic Railway War—Road-build-<br>ing in Washington—Emigrant and Other Routes—Washington Rail-<br>roads—Development in Idaho and Montana..... | 369 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XV.

## RAILWAYS—BRITISH COLUMBIA AND ALASKA.

|                                                                                                                                                                                                                                                                                                                                                                                                               |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Spanish and English Explorers—Scotch and French Canadian Traders<br>and Trappers—Their Routes and Methods of Travel—Overland Bri-<br>gades—Historic Steamers—Roads to the Mines—British Columbia<br>Navigation Company—Canadian Pacific Railway—Esquimalt and<br>Nanaimo Railway—The Want of Means of Communication in Alaska<br>—The Cosmopolitan Railway Uniting All the Great Systems of the<br>World..... | 412 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XVI.

## COMMERCE—INTRODUCTORY.

|                                                                                                                                                                                                                                                                                             |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Trade as a Civilizer—Private and Corporate Fur-hunters—Monopoliza-<br>tion of the Earth—Spain's Restrictions—Yankee Peddlers on the<br>California Coast—Spanish-American Independence—Smuggling and<br>Buccaneering—Monopoly and Coöperation, Moral and Immoral—<br>Causes and Effects..... | 425 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XVII.

## LIFE OF JOSIAH FAILING.

|                                                                                                                                                                                                                                                                                                            |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| His Ancestry and Parentage—Their Environmet and Characteristics—<br>His Education—Industrial Training—Business Life in the East—<br>His Immigration to Oregon—His Career in Business and Benevo-<br>lence—Traits of a Man Grand in his Goodness—His Family—Brief<br>Study of his Son Henry and Others..... | 439 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XVIII.

## COMMERCE—THE NORTHWEST COAST.

|                                                                                                                                                                                                                                                                                                                                                         |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Gold and Furs as Agents of Colonization—The French in America—A<br>Continent for a Game Preserve—Intercourse with the Savages—Ad-<br>vent of the British—The Two Great Rival Fur Companies—English<br>and United States Traders—The Northwest Coast, Alaska, and<br>China Circuit—Astoria Established—Union of the Two Companies<br>—Trade Routine..... | 468 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XIX.

COMMERCE—OREGON.

PAGE

|                                                                                                                                                                                                                                                                        |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Decline of Traffic of the Great Fur Monopoly—Traders of the United States Enter Oregon by Water and by Land—The First Columbia River Salmon Fishery—Missionaries as Men of Business—Trade with Alaska, California, and the Islands—Rise and Progress of Portland. .... | 480 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XX.

LIFE OF JAMES STEEL.

|                                                                                                                                                                                                                                                                                                                                                                             |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Ancestry and Parentage—His Father a Man Uncompromising in his Sense of Justice, and a Champion of Freedom—His Mother Gentle, Tender, and Good—Inherited Traits—His Youth—Equipment for Life in the West—Christian Morality in Every-day Life—The Career of an Enterprising, Intelligent, and Conscientious Factor in Commercial and Social Life—Success and Character. .... | 488 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XXI.

LIFE OF DONALD MACLEAY.

|                                                                                                                                                                                                 |     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Parentage and Early Experience—Establishment of Corbitt & Macleay—Salmon-canning on the Columbia—Interest in Ocean Traffic—Commercial Enterprise—His Benevolence—Marriage—Characteristics. .... | 500 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XXII.

COMMERCE—CALIFORNIA.

|                                                                                                                                                                                                                                                                                                                                                         |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Under Spanish and Mexican Rule—Advent of Foreigners—Coast Peddling and Smuggling—During the Flush Times—New Era in Ocean Sailing—Steamer Traffic—Ports of Entry—Rise of San Francisco—Population and Prices—Shipments of Goods—Inflations and Reactions—Imports and Exports—Speculation—Insurance—Banking—Stock Gambling—Crises—Condition in 1890. .... | 506 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XXIII.

LIFE OF ADOLPH GUSTAV RUSS.

|                                                                                                                                     |     |
|-------------------------------------------------------------------------------------------------------------------------------------|-----|
| Ancestry—Education—Seventh New York Volunteers—Voyage to California—Purchase of City Lots—Mining—Russ Gardens—Characteristics. .... | 533 |
|-------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XXIV.

LIFE OF JOSEPH P. HALE.

|                                                                                                                                                                                                                                         |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Unique Experiences—Ups and Downs in California—Daring Explorations—An Interesting Weed—Character and History of Orchella—Napoleonic Strategy in Commerce—Acquisition of Land and Control—Obstacles Surmounted—American Enterprise. .... | 543 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XXV.

LIFE OF GEORGE H. BONEBRAKE.

PAGE

- Caucasian Race in America—German Immigration—Ancestry of Mr Bonebrake—Home and College Influences—War Experiences—Study and Practice of Law—Banking—Marriage—Enterprises in California—Business and Social Qualities..... 551

## CHAPTER XXVI.

LIFE OF ALBERT MILLER.

- A Leading Financier—Genealogy—Education—Eastern Experiences—California—Merchant—California Insurance Company—Savings Bank—European Tour—Connection with Various Industries—Gas Companies—Social and Home Life—Political Views—Family—Characteristics..... 564

## CHAPTER XXVII.

LIFE OF JOSEPH EMERIC.

- An Historical Study Which is also Psychological—Idiosyncrasies and Virtues of an Extraordinary Character—A Career of Triumph against Odds—The Development and Maturity of a Distinct Individuality—The Record of a Useful and Honorable Factor in the Building of Commonwealth—A History within a History—The Struggle of Henry F. Emeric—His Extraordinary Experiences—Independence of Spirit and Force of Character at Last Compel the Respect of his Obdurate Father, and Win for Him the Right and Title of a Princely Estate..... 574

## CHAPTER XXVIII.

LIFE OF ORVILLE D. BALDWIN.

- Transforming Force—Parentage and Early Experiences—Influences of Necessity—Arrival in California—Hard Times—Noble Self-denial—Remarkable Business Career—Devotion to Parents and Family—Real Estate Operations—Park Properties—A Happy Home—Characterization..... 588

## CHAPTER XXIX.

LIFE OF CHAUNCEY HATCH PHILLIPS.

- Human Progress—Uses and Abuses of Biography—Californian Characteristics—Parentage, Education, and Early Career—Arrival in California—Collector of Internal Revenue—The Bank of San Luis Obispo—Real Estate Operations—The West Coast Land Company—Appearance—Wife and Children—Physical and Mental Traits..... 599

## CHAPTER XXX.

## COMMERCE—COLORADO.

## PAGE

|                                                                                                                                                                                                                                                                                              |     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Early Traffic—Operations of the Fur Traders—Establishing of Forts—<br>Some Adventures of Traders—Santa Fé Trade—Passage of Caravans and Increase of Trading Posts—California Gold Seekers—Gold in Colorado—Birth of Towns and Inflowing of Merchandise—Banking—Progress and Development..... | 611 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

## CHAPTER XXXI.

## LIFE OF JEROME B. WHEELER.

|                                                                                                                                                                                                                       |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Every Man the Writer of his Own Biography—Birth and Ancestry—<br>Enters the Army—Highly Honorable and Brilliant Career—Subsequent Business Successes—Colorado Experiences—Achievements at Aspen—Characterization..... | 619 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|



# CHRONICLES OF THE BUILDERS.

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## CHAPTER I.

COMMUNICATION PAST AND PRESENT—EBBETS, INGALLS, SIMPSON'S, AND OTHER EXPEDITIONS—BRYAN, LAMBERT, DICKERSON, AMARY, AND WARREN—WHIPPLE, WILLIAMSON, PARKE, AND POPE'S SURVEYS—THE THIRTY-FIFTH PARALLEL ROUTE—TABLE OF ROUTES, DISTANCES, ALTITUDES, AND EXPENSES—THE THIRTY-SECOND PARALLEL ROUTE—IVES' EXPLORATIONS ON THE COLORADO—EXPLORATIONS AND SURVEYS IN THE NORTHWEST.

IN the preceding volume of this series I have briefly sketched the earlier explorations and surveys of routes, the opening of roads, the establishment of steamship, stage, express, and postal lines, the modes of travel and transportation inland, overland, and by sea, the various projects for a transcontinental railroad, together with the measures introduced in congress for that purpose, up to the year 1853.

Resuming here the history of surveys, routes, and transportation, with such other topics as formed the subject-matter of the previous volume, I shall carry them forward to a recent date, thus presenting in outline this section of my work, from the aboriginal and pastoral era of the Pacific coast, when here and there an Indian trail or rough wagon-road relieved the solitude of wilderness primeval, until, in 1890, five overland railroads bore to and fro their twenty millions of passengers and their thirty million tons of freight. Whatever may be said as to the evils wrought by railroad monopoly, none will deny their

importance as factors in our progress and prosperity. By them the waste places of the earth have been opened for settlement; by them industries have been developed and resources unfolded that have lain dormant since the beginning of time, while markets have been established for the products of these industries in eastern and old world centres, and greater even than all these material benefits, free intellectual and social intercourse has been accorded to our western commonwealth. Add to this the fleets of vessels that carry our merchandise to the leading seaports of the world, the mail and telegraph services that bring to us the most recent advices from every quarter of the globe, and here is a record of commercial, industrial, and social development such as mankind has never witnessed in the past, and never again shall witness.

In volume V. of the *Chronicles* were presented, as the reader will remember, the results of the Gunnison-Beckwith expedition in 1853-4.

In October 1853, an auxiliary expedition under Major Ebbetts and Lieutenant Moore, crossed the Sierra Nevada, entering between the north and south forks of the Stanislaus. They reached an elevation of 10,000 feet, passing by the south end of Walker lake, with the object of discovering a railroad route, but found this utterly impracticable.

The impression conveyed by Beckwith's report was unfortunate for the prospects of Frémont's 38th parallel route, and equally so for that on the 41st and 42d parallels. In fact he had encountered the worst of either, and had unintentionally misrepresented the character of the country west of Salt lake.

These impressions were modified somewhat by the report of Rufus Ingalls, quartermaster to Colonel Steptoe's command, which in 1854-5 marched from Fort Leavenworth via Fort Kearny, Fort Laramie, South pass, Bear river, and Salt Lake City where the command wintered, to the Sacramento valley and



thence proceeded to Oregon. It had been the intention to take a new route south of those usually travelled from Salt lake to California, but upon an examination made near that place, Steptoe determined upon following the usual emigrant route west of Salt Lake City, which led along the Humboldt to the sink, and crossed the Sierra at the head of Carson river.

Ingalls, with the heavy train turned northwest at Humboldt meadows, and journeying by the southern emigrant road to Oregon via the southern end of Goose lake and the Modoc lakes reached Fort Jones and Fort Lane without difficulty, finding an abundance of grass and water on the whole journey.

Lieutenant Mowry, also, who was detached from Steptoe's command at Salt Lake City, conducted some dragoons with their animals by the old Spanish trail from southern Utah to Fort Tejon, in California, but his report was not published.

The government gathered up the itinerary of various military road surveys, and expeditions in the Indian country which contributed any facts useful to an understanding of the railroad question, and they were compiled among the railroad surveys, as the map and notes of a survey by John W. Withers of the topographical corps, from Scottsburg, on the Umpqua river, to Myrtle creek in the Umpqua valley, through the Coast range of Oregon, in 1854; also the survey by G. H. Derby, in 1854-5, from Salem in Oregon to Astoria at the mouth of the Columbia, and from Fort Vancouver to Steilacoom; also the reconnaissance of G. P. Haller, 4th infantry, in 1855, from Fort Dalles via the immigrant road over the Bene mountains to Fort Boisé, and beyond to the Mormon settlement of Lemhi on the head of Salmon river.

At Camas prairie, Haller made a detour to Snake river on the south, and returning north to the junction of Camas creek with Malade river, which he followed to its source, crossing over to Godin or Lost river and proceeding thence in a northerly course to

Pashamarah creek, a branch of the Salmon river which he followed to its junction with the main stream, which he examined to the mouth of Lemhi or Mormon river. Returning, the expedition ascended the Salmon to its source, and taking a northwest course along the sources of the southern branches of this river, turning southwest from the south fork to the tributaries of the Payette river, which was followed to within twenty miles of its mouth, from which point Haller marched to Fort Boisé and thence to Fort Dalles by the usual road.

This expedition was undertaken to find and punish the Indians who had committed some outrages on immigrant families, and was the first military or other reconnoissance of the region which now constitutes the domain of Idaho that had been made since the march of the mounted rifle regiment through it in 1849. Afterward, during the several severe Indian wars, it became familiar ground; but no better route for a railroad from the vicinity of Salt lake to the Columbia river has since been discovered than that first travelled by fur companies and pioneer settlers.

From the Mississippi and Missouri westward in 1855 there were a number of military expeditions, all of which reported on the geography and topography of the country traversed. J. H. Simpson, of the topographical engineers, surveyed government roads from Point Douglas on the Mississippi to the mouth of St Louis river, which empties into the western end of Lake Superior; from Point Douglas to Fort Ripley in Minnesota; from Fort Ripley on Crow Wing river to Otter Tail lake; and from Mendota in Wisconsin to the mouth of Big Sioux river in Dakota. G. K. Warren, of the topographical engineers, while attached to the staff of General Harney in 1855, left St Louis June 7th and proceeded up the Missouri by boat to Fort Pierre, where a reservation was laid off for that post, and the Missouri examined as far up as

the mouth of the Cheyenne. From Fort Pierre he passed on to Fort Kearny in company with P. Carrey with six men and a single cart, arriving there on the 21st of August, fourteen days from the Missouri. Here joining Harney, he accompanied the army along the Platte to Fort Laramie, the expedition returning to Fort Pierre over a route along White river through the Mauvais terres or Bad lands, and the ridge between the Little Missouri and Big Cheyenne rivers. Warren accompanied a train from Fort Pierre, under Van Vliet, through Minnesota to the mouth of the Big Sioux, all these routes being measured and mapped. F. T. Bryan, accompanied by J. Lambert topographer, F. C. Larned and S. M. Cooper, assistant topographers, and C. Lombard, road surveyor, in 1855 surveyed the route from Fort Leavenworth to Fort Riley on Kansas river at the mouth of the Republican river, where they were joined by an escort under L. Armistead. On the 4th of August they left Fort Riley and proceeded west along the Kansas river to Saline fork, crossed it, followed up Smoky hill creek to its source, passed over Smoky hill fork, and thence southwest to Pawnee fork of the Arkansas. Proceeding up Pawnee fork to the source they crossed over to the Arkansas and travelled up to Bent's new fort at Big Timbers, returning to Fort Riley by nearly the same route, varied by moving north to Walnut creek which took them by a little more direct course home.

J. C. Amary, attached to the command of Lieutenant-colonel Morrison, left Fort Gibson, Indian territory, in 1855, with the command to examine the unexplored country to the northwest. Journeying up the Verdigris to the Kansas boundary, they left that river, striking the Arkansas at the mouth of Walnut creek, whence they kept along the usual route to Bent's fort, and returned. Major Merrill, 2d dragoons, also, the same year made a reconnoissance

from Fort Belknap, on the Brazos river, Texas, direct to Council grove and Fort Riley.

In June 1856, Lieutenant F. T. Bryan left Fort Riley in company with, and assisted by, J. Lambert, C. F. Larned, and S. M. Cooper, topographers, and H. Englemann, geologist, with thirty men, all escorted by a company of the 6th infantry under L. A. Armistead, and travelled up the Republican fork of the Kansas to the 40th parallel, when they crossed over to the Platte near Fort Kearny, and followed up this stream and the south fork to Lodge Pole creek, where the company divided, one part under Lambert ascending as far as Pawnee creek, which he examined to its source, and from which he proceeded west to the emigrant road, following which he rejoined the main party on Lodge Pole creek. A junction being then effected, the whole command proceeded west to the source of Lodge Pole creek, passing the Black hills and continuing westward south of Medicine Bow butte, crossed the Platte, and reached the divide between the waters of Platte and Green rivers near Bridger's pass. Returning, the expedition passed north of Medicine Bow butte, crossed the Black hills at the source of Cache à la Poudre creek, down which they travelled to the south fork of the Platte.

Lambert being detached at the head of Cache à la Poudre creek, proceeded east along the source of Howard creek to Crow creek, down which he travelled, making a junction with the main party at its mouth, when the whole expedition continued down the south fork to near Pawnee creek, whence it turned east to the Rock creek branch of the Republican fork of the Kansas river, which they examined down to the main stream, to Fort Riley, a detachment under Bryan, with Larned and Cooper having turned south about longitude  $99^{\circ} 30'$  and explored the Solomon fork to its mouth.

John H. Dickerson also surveyed from Omaha to

the Platte, and along that river to Fort Kearny, connecting a line from the Missouri to Bridger pass, west of which were the surveys of 1854-5. W. D. Smith, with a squadron of 2d dragoons, also made a reconnoissance from Fort Kearny north to Fort Randall on the Missouri in 1856, and A. Sully, 2d infantry, attached to the command of Abercrambie, made a reconnoissance from Fort Ridgely, in Minnesota, west to Fort Pierre on the Missouri.

On the 16th of April 1856, G. K. Warren, of the topographical engineers, left St Louis by steamboat to join General Harney at Fort Pierre, accompanied by N. H. Hutton and J. H. Snowden, assistant topographers, and T. V. Hayden geologist and naturalist. At the fort he received orders to proceed on the American Fur company's boat *St Mary*, and examine the Missouri river as far as the steamer should go, returning by a Mackinac boat to Fort Pierre when the work was accomplished. His party consisted of the before-mentioned assistants, and thirty men, more than half of whom were enlisted from the 2d infantry. The *St Mary* ascended as far as the mouth of the Big Muddy, sixty miles above Fort Union. While waiting for a Mackinac boat to be built by the fur company the whole party explored the left bank of the Yellowstone to the mouth of Powder river, using wagons to convey their supplies. On the return to Fort Union, Hutton descended the Yellowstone in a bull-hide boat, mapping the stream as he went; and on returning down the Missouri a shore party with horses accompanied the Mackinac boat, all encamping together at night, and frequently halting for a day or more to examine streams of any importance, thus adding much to the value of the expedition, which reached Fort Pierre in October.

Great credit is due to the industry of the army topographers during three years following the authorization of Pacific railroad surveys, and for the reports

and maps furnished by military expeditions which were auxiliary to the transcontinental surveys. The central and northern routes were by this means pretty well understood in 1856.

Nor had the southern routes been neglected. On the 14th of May 1853 A. W. Whipple of the topographical engineers received instructions to make, with the assistance of J. C. Ives, explorations and surveys about the line of the thirty-fifth parallel for the construction of a railroad from the Mississippi to the Pacific. The expedition was ordered to proceed by the most favorable route in the direction of Rio del Norte to explore the passes of the Sierra Madre and the mountains west of the Zuñi and Moqui countries to the Colorado, and thence by Walker pass to the Pacific ocean at San Pedro or San Diego. A division of the party was to diverge to Albuquerque, to make that place a cardinal astronomical station, and to hasten the exploration of the New Mexico mountains before winter. Attention was especially directed to the water supply, and the state of the atmosphere, as also to the ethnology of the various native tribes encountered on the journey. The sum of \$40,000, the same amount allotted to the Stevens expedition, was appropriated to defray the expense of this one, and Whipple was directed to submit his report before the first Monday in February 1854.

There was considerable difficulty in obtaining the necessary instruments for Whipple's survey, the demand owing to the different expeditions, of Perry to Japan; Ringgold in the north; Kane to the Arctic regions; and Stevens' northern Pacific railroad survey, who had gathered up what was left by the others. It was a not infrequent complaint in the reports of the numerous reconnoissances which have been mentioned, that certain instruments were lacking.

Meanwhile, to save time, Lieutenant Ives was sent forward by way of San Antonio and El Paso, at which latter place some instruments were available,



to Albuquerque, where he was to await the main party, employing himself in the interim, making astronomical magnetic and meteorological observations which might facilitate his subsequent work.

It was not until the 15th of July that Whipple marched out of Fort Smith, Arkansas, with his assistants, J. M. Bigelow, surgeon and botanist; Jules Marcon, geologist and mining engineer; Dr C. B. R. Kennerley, physician and naturalist; A. H. Campbell, assistant railroad engineer; H. B. Molthausen, topographer and artist; Hugh Campbell, assistant astronomer; William White, jr, meteorological observer; George G. Garner, assistant astronomer; N. H. Hutton, assistant engineer; John P. Sherburne, assistant meteorological observer; and T. H. Parke, assistant astronomer and computer. They were escorted by a company of the 7th infantry under J. M. Jones, and a wagon train.

The route followed from Fort Smith ran west along the northern base of the San Bois mountains to the south fork of the Canadian river, which it crossed at Coal creek, following it to its head, and crossing Delaware ridge to the head of Boggy river. Recrossing the ridge it passed along the heads of Walnut and Deer creeks, and crossing a low divide, struck the False Washita at Gypsum creek, after which it returned to the Canadian, and followed the emigrant road up the valley to the Pecos, at Auton Chico. Here the party divided, Whipple with a small number following the Pecos nearly to its head, where he turned west through the Galiteo pass, and continuing down a creek of the same name, came to the Rio Grande at the pueblo of Santo Domingo, and followed it down to Albuquerque.

The main party took the route leading from Auton Chico up the Cañon Blanco to Las Lagunas, and thence through the San Pedro pass, at the southern end of the Zandia mountains, and down San Antonio

creek to Albuquerque, where the expedition remained encamped for a month.

About the middle of November, his escort increased by twenty-five men under J. C. Tidball, 2d artillery, and a great number of pack animals, Whipple resumed his survey. From Albuquerque he proceeded southwest to the crossing of Rio Puerco, and thence up the Santa Rita, on San José valley, to Covero. Soon after leaving Covero, Campbell, with a small party, explored a route up the Santa Rita to its head, thence through Campbell pass in the Sierra Madre to Fort Defiance, now Fort Lyon, and back to the main party at Zuñi, on the head-waters of Colorado Chiquito. From this point the exploration was conducted westward to the Rio Puerco of the west, crossing it near Navajo spring, and thence southwest to the Colorado Chiquito near the junction of the two streams. Following the Colorado about forty miles, it continued west from the bend of the river toward the San Francisco mountain, but passing south of this elevation, and north of Bill Williams mountain—instead of north of San Francisco and south of Bill Williams mountains, as in Sitgreaves' expedition of 1851—crossed the sources of some northern affluents of the Gila river to Bill Williams fork, down which it went to the junction of this stream with the main Colorado river.

The expedition now proceeded up the Colorado through the Mojave valley, crossing the river about latitude  $34^{\circ} 50'$ , and taking a northwest course to Soda lake, whence it passed by the valley of the Mojave river, through Cajon pass to the rancho Cucamonga, and along the foothills of the Coast range to Los Angeles, where it arrived March 25, 1854.

It could not be said that Whipple exhibited anything new in the way of railroad routes, although as a scientific survey the expedition was of value. He gave the elevation of the plateau east of the Rocky mountains at the head of the Pecos river at 6,940



feet. At Isleta on the Rio Grande the elevation was 4,945 feet. The Sierra Madre would have to be penetrated by a tunnel three-fourths of a mile long, at an altitude of 8,000 feet, before descending to the Zuñi river; or another pass twenty miles further north, Campbell pass, would afford a crossing at 7,750 feet. From here it was two hundred miles to the Aztec pass, which was 1,350 miles from Fort Smith, and 6,281 feet above the level of the sea. The Cajon pass of the Sierra Nevada would have to be penetrated by a tunnel two and a half miles long, at an elevation of 4,179 feet; and the descending grade for twenty-two miles would average 100 feet to the mile. The distance from Fort Smith to Los Angeles was 1,892 miles. In order to reach San Francisco, 482 miles further, the route would have to deflect from the Mojave valley about thirty miles east of Cajon pass, whence it would lead to Tehachapi pass, crossing it at a low elevation, and going by easy grades to San Francisco. A great saving of distance would be effected by this route if San Francisco were the terminal point. On the thirty-fifth parallel route, as well as on that pursued by Gunnison and Beckwith, there would be a scarcity of timber, water, and fuel, and also of stone over a portion of the route. Estimating the inequalities of surface, the distance to be constructed would be 2,816 miles to Los Angeles, or 3,137 miles to San Francisco; and the total cost might be set down at \$169,210,265.

Whipple returned immediately to Washington to make his report, having sold the government property in his possession, there being no officer to whom he could turn it over at Los Angeles. That he was able to proceed without loss of time was due to R. S. Williamson, assisted by J. G. Parke, topographical engineers; G. B. Anderson, 2d dragoons; A. L. Herrman, physician and naturalist; W. P. Blake, geologist; Isaac W. Smith, civil engineer; Charles

Preuss, topographer; and Charles Koppel, artist. His escort was commanded by G. Stoneman, 1st dragoons.

Instructions were forwarded from the war department May 6, 1853, to Williamson, directing him to make a survey of the country west from the Colorado to the Pacific, with the object of discovering a route connecting the surveys of the 32d and 35th parallels with the Pacific ocean, \$30,000 being appropriated for this survey. Williamson sailed from New York May 20th, arriving in San Francisco June 20th, leaving Anderson ill at Panamá. No time was lost in organizing the party, which left Benicia July 10th. Williamson's course after crossing the straits at Martinez was by the way of Monte Diablo, Livermore valley and pass, to San Joaquin valley, whence he ascended the Tuolumne river to Fort Miller, in the foothills of the Sierra, 174 miles from Martinez.

From Fort Miller he crossed an arid plain to King river, and thence to the delta of Four creeks, where he obtained a guide, the objective point being Walker pass. In order to make a thorough examination, a depot camp was formed at Poso creek, in Kern county. Above the cañon of Kern river the expedition struck a narrow creek, at the head of which was Walker's pass, which Lieutenant Williamson, after examining, condemned. East of this point for two or three degrees of longitude was a mountainous desert, devoid of wood, water, and grass. Any road from the east to this pass must come from the Vegas de Santa Clara, the Mojave, or the south, and in either case must cross this desert. The grades of the pass were such as to render a railroad impracticable, and any road west of it must descend the Kern river, the narrowness and sinuosity of which rendered a railroad there out of the question.

For similar reasons he rejected the next pass to the south. Its altitude was about the same as at Walker pass—5,300 feet—but steeper and less open. Then

came Tehachapi creek, called Pass creek by Frémont in 1844. This stream entered the Tulare valley between Kern and Tejon rivers, with an average descent of 157 feet to the mile for a distance of fifteen miles; but there were side slopes affording opportunities for decreasing the grade, and timber was here plentiful. The summit elevation was 4,020 feet. The fourth pass encountered in working south was crossed by Frémont in 1844, and was in a direct line with the Mojave, but was steep, having an ascent of 600 feet in less than two miles. It was considered a good pass for a wagon road, the ground being solid and firm in wet weather—the wagon road from Los Angeles to Visalia runs through it—but for a railroad, it would be better to travel further by an easy grade than to tunnel here.

Next followed an examination of the Tejon pass, still further to the south and west, where the Sierra Nevada, which bends southwestward from Walker pass, approaches the Coast range, and fences off Los Angeles, San Diego, and San Bernardino counties from the northern part of the state. There was a wagon road through this pass from Los Angeles to Kern river, but a very bad one. The survey of this pass occupied nearly two weeks, when it was pronounced impracticable, the grades being too heavy, even with a tunnel over a mile in length. Immediately below the pass of the Tejon, was the Cañada de las Uvas, the depression between the Nevada and the Coast ranges where they join at their base. The ascent to this point from the west was at the rate of 302 feet per mile for a distance of over five miles; thence to the summit 121 feet per mile; at the summit, 339 feet per mile; while the descent on the east side was 441 feet to the mile; after which a divide was encountered, separating the waters of the Pacific from those of the great basin, from which the descent for a short distance was 357 feet to the mile, and thence gradual into the basin. A tunnel would be

required at each of these summits. Of all the passes of the Sierra the Tehachapi and the Cañada de las Uvas were pronounced most practicable, and the former the better of the two. From here to the mouth of the Gila no serious obstruction to railroad engineering was encountered, but water was so rarely met with that it was evident artesian wells would have to be resorted to. Eastward as far as the Mojave no water was found after going thirty miles from the passes.

Attention being turned to the Coast range, Lieutenant Parks examined the San Fernando pass, near the mission of that name, this being the pass of the Los Angeles river through the Santa Susana mountains north of the town of Los Angeles, which was practicable for a railroad by means of a short tunnel. The present tunnel at this pass is two miles in length. San Francisquito pass at the head of Santa Clara river, in Los Angeles county, and the Cajon pass in the San Bernardino mountains were reported unfavorable, owing to steep grades and the amount of tunneling required. Warner pass and Jacum pass, both leading to San Diego, were pronounced impracticable. The San Gorgonio pass, between the San Bernardino and San Gorgonio mountains, was reported as the best of any in the Coast range, the grades being not difficult; and another called New pass, was discovered east of San Francisquito, which was also approved. The survey ended December 20 1853, at San Diego.

In Williamson's report he said that a railroad from the Mississippi to the Pacific via the mouth of the Gila would follow a nearly direct line to the San Gorgonio pass, through it to the San Bernardino valley, and from there to some point on the coast. But the only two good harbors in California were San Diego and San Francisco. From San Bernardino to the latter point the road must either follow the coast, or it must recross the Coast range, cross the Sierra, and enter the Tulare valley. This route was practicable,

but the coast route was still unsurveyed. To follow the route by the Mojave and Los Angeles, it would be necessary to cross from Los Angeles valley to the valley of the Santa Clara, and thence by New pass to the great basin, and over the Tehachapi pass into the Tulare valley, whence there was no obstruction to the bay of San Francisco; but to reach the city of San Francisco it would be necessary to cross the Coast range, which had been instrumentally explored only at two points, but which could no doubt be easily crossed at Pacheco pass, at the head of Pajaro river, whence the road would run through the San José valley, and to the city itself. The distance from the mouth of the Gila to Martinez by the first of these routes would be 680 miles, and about the same by Pacheco pass.

To reach San Diego from the mouth of the Gila, the railroad must go through San Geronio pass, and along the coast, turning the mountainous country which lies to the south, Warner pass not being available. The distance to San Diego from the Gila would be 315 miles. He had previously said there was no practicable pass through the mountains to San Diego, or impliedly, to the coast, in this latitude. Or should the road strike the Colorado above, and crossing the basin around the Mojave river to reach San Francisco, it would leave the river twenty-five miles below where the Spanish trail strikes it—that is, below Rio Virgen—and run directly west to Tehachapi pass, avoiding the Cajon pass, which Lieutenant Whipple had accepted. This particular examination of the California passes was of great interest to the people of the state, as well as instructive to the heads of government, and congress. As in the case of the central and northern survey the southern survey was supplemented by several shorter ones.

Among these was the reconnoissance of J. G. Parke, assisted by H. M. Custer, topographer, and A. L. Herman, physician and naturalist, for which

\$5,000 was appropriated. The party left San Diego January 24, 1854, with twenty men, exclusive of an escort under Stoneman of twenty-eight dragoons. They followed the immigrant road via Warner's rancho and pass, and across the Colorado desert to Fort Yuma, and crossing the Colorado proceeded up the left bank of the Gila to the Pima and Maricopa villages. Thence they turned southeast to the Mexican towns of Tucson and San Xavier; and continuing southeast passed through the Cienega de las Pimas to the Rio San Pedro, following up that stream about forty miles, and striking over the hills on the right bank to the Playa de las Pimas, and crossing it at its southern end entered the Chiricahui mountains, at the Puerto del Dado, south of Dos Cabezas peaks. Thence by an east course they crossed the mountains on the eastern side of the Valle de Sauz, near the Gavilan peak, and here turning northeast, crossed the next mountain range near Pyramid peak, and proceeded east to Ojo de Inez, near which they came into Cooke's wagon road, which they followed to Fort Fillmore. After examining a route direct between Fort Fillmore and Cooke spring the expedition disbanded at El Paso. This exploration was more nearly on the 32d parallel than any other railroad survey. The distance from the Rio Grande near Fort Fillmore to the Gila at the Pimas villages was 360 miles; from the Pimas villages to the mouth of the Gila 223 miles; thence to San Gorgonio pass 133 miles, and thence to San Diego or San Pedro 125 miles; making the total distance from the Rio Grande to the coast of the Pacific 841 miles.

John G. Pope, of the topographical engineers, was directed, early in October 1853, to make a reconnoissance, assisted by K. Garrard, 1st dragoons; J. Mitchell, surgeon and naturalist; C. L. Taplin and J. H. Byrne, topographers, and escorted by twenty-five men of the 3d infantry, under L. H. Marshall. The party,



including helpers and teamsters, numbered seventy-five persons, and was well provided with instruments. The amount appropriated for the survey was \$15,000.

The expedition left Dona Ana on the Rio Grande near Fort Fillmore, February 12, 1854, passing through the Organ mountains southwest to the pass at Carro Alto in the Hueco range, where the expedition divided, Garrard being sent to El Paso to connect the two points of survey, while Pope moved eastward to the Guadalupe pass by the way of Carnudas de los Alamos. Garrard explored the Guadalupe range for some distance to the south, and joined the main party at the head of Delaware creek. On reaching the Pecos, Marshall explored the country up to the mouth of the Sacramento, and Taplin was sent across the Llano Estacado to Sulphur springs. The main party then moved down the Pecos to the emigrant crossing, and thence by the usual road to the Big springs of the Colorado of Texas. Here again Garrard was sent back to the mouth of Delaware creek to survey a direct route between the two places. From Sulphur springs the whole party followed a direct course to Fort Belknap, thence northeast to the west fork of Trinity river, and thence eastward to Preston, Mississippi.

In his report Pope considered that the proper eastern terminus of the road should be at Fulton, in Arkansas, instead of at Preston. In the first section of the route, from Red river to the eastern base of Llano Estacado, 352 miles, the heaviest grade was 66 feet for six miles, at the crossing of the divide between Red and Trinity rivers, but it could be reduced indefinitely by engineering. Timber and building stone were abundant along the whole section between Trinity and the Llano. The route crossed navigable streams, and in all respects was one in which construction would be easy and economical. The cost of this section he estimated at \$17,600,000. The second section of 125 miles to the Pecos had



upon it neither wood nor water, but limestone and sandstone were abundant. The summit level of the plain was 423 feet in a distance of 89 miles, no excavating or banking being required. The descent to the Pecos was rather more rapid, being 18 feet to the mile for 35 miles. The cost of constructing this section would probably be about \$5,000,000. From Rio Pecos to Rio Grande at El Paso was 169 miles. This section consisted of elevated table-lands, crossed by three ranges of considerable altitude, the Guadalupe, the Hueco, and the Organ mountains. The Hueco mountains would require a grade of fifty-seven feet on the east, and seventy-nine feet on the west, beyond which there was almost a level, except where the plateau descended to the river. Pope recommended Molino as the better approach to the Rio Grande, whether it was intended to bridge it at this point or not, but it was the most favorable point for bridging, owing to the bed and banks of the river being rocky. The cost of this section of the road he estimated at \$10,400,000, to which might be added \$7,000,000 for the extension of the road from Red river to Fulton, 133 miles. He suggested the examination of two additional lines between the Pecos at the 32d parallel, and the Rio Grande at El Paso, one turning the Guadalupe range to the north through the valley of the Sacramento, and the other passing south of this and the Hueco range and leading to Molino on the Rio Grande. Pope's survey was intelligently conceived and carefully carried out. Taking his estimate of distances together with Parke's—841 miles from San Diego to the Rio Grande, and 779 miles from the Rio Grande to Fulton—this line was shorter than any of the others, being but 1,620 miles from the Mississippi to the Pacific. To San Francisco bay the distance would be about the same as by the northern route to Puget sound, but the estimated cost would be less, as the following statement explains.

TABLE SHOWING LENGTHS, SUMS OF ASCENTS AND DESCENTS, EQUATED LENGTHS, COST, ETC., OF THE SEVERAL RAILROAD ROUTES  
EXPLORED BETWEEN THE MISSISSIPPI AND THE PACIFIC.

| ROUTE.                                                                                                        | Distance by air-line. |        | Distance by proposed Railroad route. |       | Sums of Ascents and Descents |       | Length of Level Route of equal Working Expense. |       | Comparative Cost of the different Routes. |                      | No. of Miles of Route through Arable Land. |                      | No. of Miles of Route being found in small areas. |                      | NUMBER OF MILES AT AN ELEVATION ABOVE THE SEA. |                      |                      |                       |                                                          |                                |  |  | REMARKS. |
|---------------------------------------------------------------------------------------------------------------|-----------------------|--------|--------------------------------------|-------|------------------------------|-------|-------------------------------------------------|-------|-------------------------------------------|----------------------|--------------------------------------------|----------------------|---------------------------------------------------|----------------------|------------------------------------------------|----------------------|----------------------|-----------------------|----------------------------------------------------------|--------------------------------|--|--|----------|
|                                                                                                               | Miles                 | Miles* | Feet                                 | Miles | Feet                         | Miles | Miles                                           | Feet  | 0 to 1,000 feet.                          | 1,000 to 2,000 feet. | 2,000 to 3,000 feet.                       | 3,000 to 4,000 feet. | 4,000 to 5,000 feet.                              | 5,000 to 6,000 feet. | 6,000 to 7,000 feet.                           | 7,000 to 8,000 feet. | 8,000 to 9,000 feet. | 9,000 to 10,000 feet. | Altitude above the Sea of the highest point on the route |                                |  |  |          |
| Route near 47 and 49 parallels, from St. Paul to Seattle.                                                     | 1,410                 | 2,025  | 18,654                               | 2,378 | \$140,871,000                | 535   | 1,490                                           | 1,490 | 470                                       | 580                  | 720                                        | 130                  | 97                                                | 28                   | .....                                          | .....                | .....                | .....                 | 6,044                                                    | Tunnel at elevation, 5,219 ft. |  |  |          |
| Route near 47 and 49 parallels, from St. Paul to Vancouver.                                                   | 1,455                 | 1,864  | 17,654                               | 2,198 | 130,781,000                  | 374   | 1,490                                           | 1,490 | 309                                       | 580                  | 720                                        | 130                  | 97                                                | 28                   | .....                                          | .....                | .....                | .....                 | 6,044                                                    | Tunnel at elevation, 5,219 ft. |  |  |          |
| Route near 41 and 42 parallels, from Council Bluffs, via South pass to Benicia.                               | 1,410                 | 2,032  | 20,120                               | 2,583 | 116,095,000                  | 632   | 1,400                                           | 1,400 | 220                                       | 170                  | 210                                        | 160                  | 590                                               | 285                  | 270                                            | 107                  | 20                   | .....                 | 8,373                                                    |                                |  |  |          |
| Route near 38 and 39 parallels, from Westport, via Coo-cheto-pa and Tah-ee-chay-pah passes, to San Francisco. | 1,740                 | 2,080  | 49,985                               | 3,026 | Impracticable                | 620   | 1,460                                           | 1,460 | 340                                       | 276                  | 165                                        | 348                  | 466                                               | 170                  | 60                                             | 155                  | 80                   | 20                    | 10,032                                                   | Tunnel at elevation, 9,540 ft. |  |  |          |
| Route near 38 and 39 parallels, from Westport, via Coo-cheto-pa and Madelin passes, to Benicia.               | 1,740                 | 2,290  | 56,514                               | 3,360 | Impracticable                | 670   | 1,620                                           | 1,620 | 275                                       | 308                  | 190                                        | 143                  | 725                                               | 284                  | 110                                            | 155                  | 80                   | 20                    | 10,032                                                   | Tunnel at elevation, 9,540 ft. |  |  |          |
| Route near 35 parallel, from Ft. Smith to San Francisco.                                                      | 1,550                 | 2,096  | 48,521                               | 3,015 | 106,000,000                  | 646   | 1,450                                           | 1,450 | 585                                       | 290                  | 261                                        | 236                  | 181                                               | 205                  | 222                                            | 26                   | .....                | .....                 | 7,550                                                    | Tunnel at elevation, 5,540 ft. |  |  |          |
| Route near 35 parallel, from Ft. Smith to San Pedro.                                                          | 1,360                 | 1,820  | 48,862                               | 2,745 | 92,000,000                   | 420   | 1,400                                           | 1,400 | 354                                       | 292                  | 236                                        | 210                  | 185                                               | 205                  | 222                                            | 26                   | .....                | .....                 | 7,550                                                    | Tunnel at elevation, 4,179 ft. |  |  |          |
| Route near 32 parallel, from Fulton to San Francisco, by Coast route.                                         | 1,630                 | 2,024  | 38,200                               | 2,747 | 90,000,000                   | 834   | 1,190                                           | 1,190 | 893                                       | 347                  | 120                                        | 342                  | 271                                               | 50                   | .....                                          | .....                | .....                | .....                 | 5,717                                                    |                                |  |  |          |
| Route near 32 parallel, from Fulton to San Pedro.                                                             | 1,400                 | 1,598  | 30,181                               | 2,169 | 68,000,000                   | 408   | 1,190                                           | 1,190 | 478                                       | 337                  | 120                                        | 342                  | 271                                               | 50                   | .....                                          | .....                | .....                | .....                 | 5,717                                                    |                                |  |  |          |
| Route near 32 parallel, from Fulton to San Diego.                                                             | 1,260                 | 1,533  | 33,454                               | 2,167 | 68,000,000                   | 374   | 1,159                                           | 1,159 | 420                                       | 305                  | 125                                        | 362                  | 271                                               | 50                   | .....                                          | .....                | .....                | .....                 | 5,717                                                    |                                |  |  |          |

Congress on the 31st of May 1854, appropriated \$40,000 to make up deficiencies in the Pacific railroad surveys of the previous year, and in the following August made a further appropriation of \$150,000 to carry on the work for another year.

Instructions were forwarded in October 1854 from the war office to J. G. Parke, directing him to continue his surveys for a Pacific railroad. He was required to make such explorations as would determine the practicability of a railroad from San Francisco bay to Los Angeles; to explore the Mojave valley and discover whether it joined that of the Colorado, determining its capabilities as a railroad route; to explore the line recommended by Whipple, from Soda lake and Mojave valley to the Colorado river, via the Chemehuevis valley; and to make additional explorations between the Pima villages and the Rio Grande, as recommended in his former report. He was directed to give special attention to the geology of the country with a view to determining the probabilities of a water supply for railroad and irrigation purposes. The amount set apart for this expedition was \$39,000.

Lieutenant Parke and his assistants arrived at San Francisco from New York November 1st, and on the 20th left Benicia to commence the survey at San José. Thence they proceeded in wagons through the Santa Clara valley to the Pajaro valley, which was examined as far as Monterey bay. Ascending the Salinas river to a point about nineteen miles above Soledad, the party divided, one portion going over the hills via the San Antonio, and the other keeping up the Salinas valley to San Miguel, where they reunited. A depot camp was established at Santa Margarita, and thirty days were devoted to an examination of the surrounding country, including the Salinas valley, followed by a survey through San Luis pass of the Santa Lucia mountains to San Luis Obispo, and thence to the beach at the mouth of Arroyo Grande.

From San Luis Obispo the expedition crossed Guadalupe Largo to Santa Inez mission, and thence by Gaviote pass of the Santa Inez mountains proceeded to Santa Bárbara; a part however taking the San Marcos pass, exploring to the head of the Santa Inez river, with good results. Proceeding to San Buenaventura mission, the expedition attempted to cross the mountains to Cuyama plain, but failed, whereupon they went up the Santa Clara valley to San Francisquito rancho, where a party was organized to explore the Cuyama plain from which they passed into the Tulare valley through the Cañada de las Uvas, and thence to the north of Santa Emila mountain, but found after two weeks' examination this route impracticable. Returning down the Santa Clara to the coast the whole party arrived at Los Angeles by the coast road March 20, 1855, four months from Benicia.

From Los Angeles Parke proceeded east to and through the Cajon pass, where, leaving the main body, he took a small detachment and followed the Mojave river to its sink in Soda lake, between which and the Colorado there lay a desert, on which no water was discovered except along the route already pursued by Whipple, and from which he turned back to Los Angeles without venturing to explore the waterless Chemehueva plain stretching 110 miles to the southeast.

The expedition was reorganized in May at San Diego, for a march to the Gila, taking the usual wagon road to Fort Yuma, and thence up the Gila to the Pima villages. Here it divided, a part taking the wagons, via Tucson, to the crossing of the San Pedro river, and the remainder proceeding with pack mules up the Gila to the mouth of the San Pedro, and up that stream to the crossing, where they were reunited. Thence they advanced to the Playa de las Pimas, where they again separated, one taking the road through the Puerto del Dado, while the other

passed between the Chiricahui range and Mount Graham, again uniting in the Vallé del Sauz, and continuing eastward around the north end of Pyramid ridge and ascending the southern spurs of the Burro mountains reached the immigrant road. Entering the cañon leading from the Ojo de Inez they proceeded via Las Peñasquitas, Ojo de la Vaca, and Rio Mimbres to Cooke's spring, making lateral examinations on the route. From Cooke spring the expedition repaired to Fort Fillmore, where it disbanded.

The result of Parke's survey was to confirm the value of the surveys of the previous year. Beginning at the eastern end of his route, which crossed the Rio Grande below Frontera, it ascended the river valley to near Mesilla, by a grade of 36 feet in as many miles when it turned west, ascending the elevated plateau by terraces, the first having a grade of 20 feet per mile for four miles, the second 60 feet per mile for over five miles, and thence to the summit a distance of nine miles, the grade was 28 feet. Having surmounted the *mesa*, there was little difficulty for  $138\frac{1}{2}$  miles to Vallé del Sauz, the maximum grade being 64 feet per mile, at the crossing of the Pelancillo summit, which could be easily reduced by increasing the distance. From Vallé de Sauz to the mouth of the San Pedro the route was due west, passing between Mount Graham and the Dos Cabezas division of the Chiricahui range by Railroad pass into the Playa de las Pimas, the grading of which pass need not exceed 60 feet per mile, after which it crossed an immense plain to the headwaters of Aravaypa, a tributary of the San Pedro, which it followed by a descending grade of 40 feet per mile to the entrance to the cañon, where it increased to 63 feet. Following the main San Pedro down to its confluence with the Gila, the descent was only fifteen feet per mile. From the mouth of the San Pedro to Maricopa wells on the Gila the descent was trifling, the blasting of some rocks in Gila cañon being the greatest difficulty

to be overcome in constructing a road. Water, however, was scarce, and there was not timber enough for construction purposes of the right quality.

Parke estimated the cost of the road between Rio Grande and the Pima villages, 345 miles, at \$15,134,000, or an average of \$43,866 per mile; between the Pima villages and Fort Yuma \$4,008,000. In summing up the thirty-second parallel route, Parke divided it into eastern, central, and western sections; the first, as surveyed by Pope, extending from Fulton on Red river to Molino on Rio Grande, 787 miles, with an approximate cost of \$31,575,000. In order to connect this with the central division at Frontera the road must ascend the river five miles to that point, which additional distance, with the bridge, would raise the cost to \$31,812,000. The central section from Frontera to Fort Yuma 545 miles, adding \$480,000 for 32 miles of road up the Rio Grande valley, would cost \$19,622,000.

The cost of the western section depended on whether San Diego or San Francisco were adopted as the terminus of the road. In the latter case, the route from Fort Yuma to Los Angeles as surveyed by Williamson in 1853, with a length of 238 miles, had been estimated by Humphreys to cost \$10,710,000. From Los Angeles to San Francisco, via the coast route, was 396 miles and would cost \$20,668,750, making the total length of the western section, the terminus being at San Francisco, 634 miles, and its cost \$31,378,750.

As to the San Diego route, since Williamson's survey there had been a more detailed examination of the same ground under local auspices, which gave the estimated distance from San Diego to Fort Yuma at 189 miles, and the total cost \$7,571,500. But applying the same standard here that was applied to the more difficult portions of the route in other sections, that estimate must be increased to \$10,830,000. The total length of the route from Fulton to San Diego



was 1,527 miles, and total estimated cost \$62,264,000. From Fulton to San Francisco it was 1,972 miles, at an estimated cost of \$82,812,750.

As a transcontinental route the thirty-second parallel possessed considerable advantages in length—to San Diego—in elevations, and in climate. The light grades would admit of rapid construction. The material and supplies could be delivered at the crossing of the Colorado by steamer from the gulf of California, allowing parties to work both ways from Yuma. The disadvantages were the same as on other routes—a scarcity of wood and water. It was Parke's opinion that the road could be constructed in eight years.

Instructions were forwarded to Captain Pope in January 1855 directing him to ascertain the practicability of constructing artesian wells on the plains of Mexico and Texas. The space experimented upon contained an area of about 10,000 square miles. No great success attended the experiments, which were continued two seasons. Water was several times reached, but at so great a depth that the tubing nearly always gave out, or the water failed to rise to the surface when found. The depth at which water was found on the Llano Estacado was 360 feet; on the Jornada del Muerto east of the Rio Grande, 245 feet, and at 676 feet water rose to within 110 feet of the surface.

During this examination Pope modified his former railroad survey somewhat, finding no better pass, however, than that of the Guadalupe, but discovering where a grade of 108 feet could be lowered to 80 feet. He also found water and pine timber at no great distance from the pass, and examined two new routes from Ojo del Cuervo to El Paso; one passing the Waco mountains with a maximum grade of 60 feet, and a summit level 200 feet lower than the former route; and the other avoiding the Waco mountains and reducing the grade to forty feet, but lengthening



the road ten miles. Topographical and geological surveys were made of the Jornada del Muerto, and the country between the Rio Grande and the Mimbres, and rivers of the Organ mountains.

On the 16th of August 1856, E. L. Hartz, 8th infantry, with three non-commissioned officers and twenty-four men, and a couple of army wagons, left Fort Davis, Texas, to intersect the El Paso road, which he struck twenty-five miles west of Eagle springs. He found the route nearly destitute of water, and the Carrizzo pass difficult for wagons.

A three years' study of the southern route had made it well and favorably known in congress; at least better known, and more favorably regarded than either of the others. There were, however, some other points in connection with the railroad that it would be well to settle, and one was the navigability of the Colorado river below the crossings.

When Lieutenant Williamson, in 1854, was engaged in surveying the thirty-fifth parallel route, he formed the opinion that the Colorado was navigable by steamers of a light draught. In 1857 the secretary of war directed J. C. Ives to organize an expedition to examine the river, and to commence it in December when the water was at its lowest stage. A suitable iron steamer was constructed in Philadelphia, which was shipped to San Francisco from New York in August, and arrived at its destination early in October.

The Colorado expedition was composed of Ives, in command; A. J. Carroll, steamboat engineer; J. S. Newberry, physician; F. W. Egloffstein, topographer; Möllhausen, artist and naturalist; Taylor and Booker, astronomical and meteorological assistants; and an escort of twenty-five men under Tipton, 3d artillery. The expedition left San Francisco in three divisions; one under Newberry sailed October 28th for San Diego, where a mule train was procured, and the

party marched to Fort Yuma across the desert; another left at the same time for San Pedro, to collect more mules at Fort Tejon, and proceed to Fort Yuma; while the remainder, under Ives, embarked with the surveying steamer on board the schooner *Monterey*, November 1st, and proceeded to the mouth of the Colorado where it arrived on the 29th, and at a suitable spot the steamer was taken ashore, put together, and named the *Explorer*. It was the 31st of December before this part of the expedition was ready to commence explorations, and the 9th of January before the *Explorer* arrived at Fort Yuma, 150 miles from the mouth of the river.

According to the statement of the Indians the water was lower than ever before known; and to lighten the steamer the arms, ammunition, baggage, and provisions were reduced to the least possible quantity, but the heavy machinery would not allow it to be trimmed to draw less than two and a half feet. The voyage up to the mouth of Bill Williams fork was a continual struggle with difficulties, and navigation was finally brought to a full stop at the Black cañon, about 500 miles by water from the gulf of California. Here the river party was joined by the escort and pack train March 18th, about one month from Fort Yuma. The trail had been bad, grass scarce, and Indians troublesome, being incited to hostilities by the Mormons, who were then at war with the United States.

While at this point a reconnoitring party discovered a practicable road to the summit of the Opal mountains, nineteen miles distant, which with a moderate amount of labor could be made passable for wagons, and from the summit extended a sloping plain to a gap a little north of the Vegas on the old Mexican trail to the coast. The whole expedition then moved down the river as far as the Mojave valley, where on the 23d of March they divided, one part descending the river in the *Explorer*, while Ives

and Tipton set out to explore the region between the head of navigation on the Colorado and Fort Defiance, on the headwaters of the Zuñi fork of the Colorado Chiquito.

Their march across the Colorado plateau was difficult and hazardous on account of formidable side cañons of the great and little Colorado rivers, and the extensive deserts which lay in their course until they reached the 35th parallel near Bill Williams mountain. Turning north and striking the base of San Francisco mountain, they reached the Colorado Chiquito—which by Ives is called Flax river—on the 2d of May, where the party divided, the greater number and Tipton taking Whipple's trail to Zuñi, and thence to Fort Defiance, while Ives with the remainder pursued a northward course to the Moqui pueblos, missing his course on the desert, and turning back to the river, which he followed to his destination. After visiting all the pueblos, and traversing the Navajo country, he returned, reaching Fort Defiance May 23, 1858.

From this post the whole expedition, excepting Ives, crossed the plains to Fort Leavenworth, and thence continued to the seaboard. Ives returned to San Diego by the overland mail route, then recently established. He found the *Explorer* had been sold to the transportation company supplying Fort Yuma, and returned to New York.

The results of this exploration were thus summed up: the distance from the mouth of the Colorado to Fort Yuma was 150 miles by water, and half that distance by land. The shifting of the channel, the banks, and the sand-bars, was continual and rapid; width of the river from one-eighth to one-half of a mile; depth from eight to twenty feet, except on the bars, where frequently there were no more than two feet; current two and a half miles an hour; navigation most easy in May or June when the river was rising and before new bars were formed. Above Yuma obstruc-

tions were more frequent, and more rocks were encountered. In some places there were flats where the water was spread over a wide surface, bristling with bars and snags. From Yuma to Bill Williams fork was 190 miles by river. Thence to Pyramid cañon 100 miles, the river was narrower, and the navigation better, being only obstructed by occasional gravelly shoals. From Pyramid cañon to Black cañon was sixty miles, and the river in this section was difficult of navigation, rapids being frequent, with a strong current, sunken rocks, and from eighteen inches to two feet only of water. Boats drawing no more than twenty inches might at all times ascend or descend without lightening cargo.

Black cañon was twenty-five miles long, and contained a rapid for every mile, and an attempt to penetrate it with a steamer would be attended with considerable danger at the most favorable season. The river above the cañon was impracticable.

Ives recommended an iron stern-wheel boat, drawing no more than twelve inches when light, with large and powerful boilers, a smooth flat bottom, and a hull divided by water-tight bulkheads. Such a boat might be 100 feet long, and 22 feet beam, with a stern-wheel 18 feet in diameter; it might make the trip to the head of navigation and back, in from twelve days to five weeks, according to the stage of water. Fuel was found to be abundant, consisting of cottonwood, willow, and mezquit. The cost of a boat such as described, which could carry sixty tons, would probably be about \$20,000, and would last about six years, during which about fifty trips would be made at an annual expense to the government of \$13,000, or \$98,000 for the whole six years, the amount transported in that time being 500 tons yearly, at the rate of something over thirty dollars per ton.

Ives, who had married a niece of Secretary Floyd, made much of his Colorado expedition. The truth, however, was that George A. Johnson, who had a

contract for carrying government supplies to Yuma, and had run his boat up to the head of navigation—see my chapter on the history of Colorado navigation—on the river, had been of the greatest service to Ives in pointing out the difficulties to be encountered and how to overcome them. He also furnished him a pilot, D. C. Robinson, who had been five years on the river. Johnson had offered to convey Ives' entire expedition up to the head of navigation for \$3,500, while it cost the government as conducted \$15,000, and perhaps the official announcement of what was already well known was worth the difference. It was now plain that only a railroad could perform the transportation to the Pacific in this latitude.

On the 1st of May 1855 instructions were issued to Lieutenant Williamson to make certain examinations in connection with the proposed Pacific railroad, namely: to make such surveys as should determine the practicability of connecting the Sacramento valley with the Columbia river, either by way of the Willamette valley, or by that of Des Chutes near the eastern base of the Cascade mountains; and to search for a route across the Sierra near the source of the Carson, to connect with a possible railroad from San Francisco to Salt Lake City, having previously obtained every information from Colonel Steptoe and others who had crossed the Sierra in that vicinity. An escort of 100 men was ordered, and the sum of \$42,000 set apart for the expenses of the survey. Williamson was authorized to purchase \$300 worth of goods to be used for purposes of traffic with the Indians, and compensation for their services. Lieutenant Henry L. Abbott was appointed second in command of the expedition.

These two officers sailed from New York May 5th, and arrived in San Francisco May 30th. By the 9th of July the exploring party was organized, and on the 10th made a start from Benicia. They passed



through the foothills of the Coast range to Putah creek and Cache creek, crossed the Sacramento river at Frémont, in Yolo county, then ascended Feather river passing through Marysville, and arrived at Fort Reading in the upper Sacramento valley on the 21st, where they were joined by the escort under Gibson, Crook, and Hood.

On the 28th the expedition left Fort Reading and journeyed eastward to Noble's pass, and thence north over Cooke's ground to Pit river, and thence by Wright and Rhett lakes to the Klamath lakes, reaching the upper one August 14th. After exploring in the vicinity, and passing north through the valley of Des Chutes, the party divided, and Williamson explored the Cascade mountains, and the branches of the Willamette river, arriving at Fort Vancouver October 9th.

Abbott meanwhile went next to Des Chutes valley, and thence to Fort Dalles, where he arrived September 10th, after which he made a reconnoissance of the Columbia as far as the Cascades. Returning to Fort Dalles, he made a second examination of Des Chutes valley. In the midst of this, October 3d, intelligence was received of an outbreak among the Indians on the north side of the Columbia, and that Major Haller, of Fort Dalles, had taken the field, while the scattered inhabitants of both sides of the river were fleeing to The Dalles.

Upon this information Abbott procured a guide and crossed the mountains by the Mount Hood road, rejoining Williamson's command at Oregon City, on the 19th. But Williamson himself had returned to San Francisco by steamer to prepare for an exploration of the Carson river pass of the Sierra Nevada, expecting his command, under Abbott, to march to meet him by the usual road to California, through Willamette, Umpqua, and Rogue River valleys. But Abbott was much inconvenienced by the detention of the dragoon part of his force by Major Rains at Fort

Vancouver to assist in the Yakima war; while another Indian war had broken out in southern Oregon along the road he would be compelled to travel; and only by the order of Governor Curry, directing the volunteer officers to supply an escort, if needed, in that part of the country, was he able to perform his part in the expedition. He marched with a body of volunteer troops until he met Captain Smith, 1st dragoons, from Fort Lane, on Grave creek, who furnished him with an escort to that post. On the 6th of November he crossed the Siskiyou mountains, and arrived at Fort Jones on the 8th. Proceeding up Scott's valley he struck the headwaters of a branch of Trinity river, which he followed, taking the trail to Fort Reading where he arrived November 15th. Here he was joined by Williamson, who pronounced the season too far advanced for the exploration of the Sierra, which had been anticipated by the state—see chapter on Roads—and when a few days later he received orders to return to Washington he disposed of his outfit, and reported at the seat of government in January 1856.

The report set forth that but one route had been examined from Benicia to Fort Reading, 200 miles. The greatest expense in construction for this distance would be in bridges, fifty-nine in all being required, varying from ten to three hundred feet in length. From Reading to the Columbia river two routes had been examined, both well supplied with wood and water, one east and one west of the Cascade mountains. On the east route no insuperable obstacle was encountered except in Des Chutes valley, which was impracticable on account of the cañon, 140 miles long, and in many places 1,000 feet deep. This cañon might be avoided by a pass into the Willamette valley near Diamond peak, whence to the Columbia the route was entirely favorable. The length of this line would be 600 miles from Fort Reading, 150 of which would be through a fertile and settled country. For



another 250 miles there would be little heavy work, but for the remaining 250 the expense would be very great. This would be in crossing the western chain of the Sierra Nevada, two cañons of Pit river, that portion of the road along the Upper Klamath lake, the cañon of the Klamath, and the pass through the Cascade range.

On the west side of the mountains the length of the line surveyed was 470 miles, 300 of which offered no difficulties, 100 of which would be very costly, and the remainder impracticable at any reasonable outlay, although it was not impossible that on a further survey, which was necessary, a feasible route might be found. The chief obstacles were in passing from the Sacramento to Shasta valley, and in crossing the Siskiyou and Umpqua mountains, the Grave creek hills, and Long's hill. Should the route west of the Cascades prove practicable, it would be preferable, being less elevated, having a milder climate, and passing through settlements. No estimates of cost accompanied Williamson's report, the itinerary of which forms very pleasant reading. It was at best but a hasty and imperfect reconnoissance.

In the preceding volume of these *Chronicles* the name of Charles Crocker is frequently found. I will here present his biography, illustrating as it does an interesting and instructive example of American energy and enterprise.

## CHAPTER II.

### LIFE OF CHARLES CROCKER.

LATTER-DAY DEVELOPMENT—ANCESTRY AND EDUCATION—EARLY ADVENTURES—JOURNEY TO CALIFORNIA—BUSINESS AND POLITICAL CAREER AT SACRAMENTO—ORGANIZATION OF THE CENTRAL PACIFIC—RAILROAD PROJECT—ACTION OF CONGRESS—STATE AND COUNTY SUBSIDIES—LAWSUITS AND MISREPRESENTATION—FINANCIAL AND ENGINEERING DIFFICULTIES—THE RACE WITH THE UNION PACIFIC—THE SOUTHERN PACIFIC AND OTHER RAILROADS—BENEFIT TO STATE AND PEOPLE—DISCRIMINATION—IRRIGATION SYSTEM AT MERCED—WIFE AND FAMILY—RESIDENCE—SILVER WEDDING—DECEASE AND OBSEQUIES—TRIBUTES OF RESPECT—APPEARANCE AND CHARACTER.

MORE than three centuries ago an obscure Italian endeavored to utilize steam as a motive power in navigation. His experiments were crude, but he suggested a principle which resulted in more than doubling the rapidity and enhancing the security and comfort of transportation by water. The modern factory is a materialization of the spirit of Watt. The locomotive-engine, which makes neighbors of the great oceans, and renders the continents so many organisms of civilization, was born in the mind of Stephenson. The trial trip of his primitive engine, between Stockton and Darlington, in 1825, marked the beginning of a new era in transportation by land. In the United States alone, more miles of railroad have been evolved from that experimental germ than would encompass the earth, and at a cost greater than the sum of all the metallic currency in existence. Though in his wildest dreams no vision of the locomotive mechanism of this day could have entered his mind, we trace directly to its genesis in his intellect,

the industry of railway transportation, which, peculiarly adapted to the spirit of American enterprise, has grown more rapidly and into greater efficiency in our country than elsewhere, and which involves to a greater or less extent every other industry, and has assumed proportions second only to the government itself.

In the construction of railroads, as in other activities, California displays the American characteristic of magnitude. It is the headquarters of a corporation which, notwithstanding physical and financial conditions that rendered construction extremely difficult, has built more miles of railroad, perhaps, than any other. In the association to which the community owes this achievement were such men as, in the economy of nature, seem to be prepared and brought together for a work which in other hands would have been impracticable. First of all, they were born poor, and grew up in an environment of self-help. They were developed in that part of the country in which, from childhood up, the demands and the promptings were all in the direction of productive and aggressive labor. Educated mainly by friction among men of enterprise and ingenuity in those practical activities which are the source of individual domination and national wealth, they were ripe in experience, keen-witted, pushing, and self-confident. With exceptional natural strength of mind, thus energized and disciplined, they were strong and active in body, and capable of extraordinary physical endurance. They differed widely from one another in certain respects, but being all alike resolute, bold, and tenacious of purpose, and each fitted for the performance of individual functions in the common enterprise, they formed a combination of singular adaptability and efficiency. Whether the difficulty were one of negotiating a loan, of repelling aggression on the part of interested obstructionists, or the people made hostile by designing leaders, of office economy in disburse-

ment, or of obstacles or emergency in construction, whatever the difficulty that presented itself, there were one or more of the syndicate ready and capable to meet it and deal with it. Charles Crocker, whose life and character it is proposed to inquire into on account of his identification with the industrial growth of the Pacific coast, was more than all the rest of these road-builders directly occupied in the actual construction of the first overland, or the Central Pacific railroad, as well as of the Southern Pacific system.

Born at Troy, New York, September 14, 1822, the lineage of Mr Crocker is traced back to the seventeenth century, when Sir William Croker, or, as in America, Crocker, settled with his family of eleven children in the United States. In the early chronicles of New England the name is of frequent occurrence, Daniel Crocker being a resident of Boston in the year 1660, while another member of the family, named Josiah, who married a daughter of Governor Hinckley, took part in the Narragansett war, and his grandfather served during the war of the revolution. His father, Isaac Crocker, was a merchant of Oswego, whence, early in the present century, he removed to Troy, where he engaged in business as a wholesale merchant. Soon after his son's migration to California he joined him at Sacramento, where he died in 1856, in his seventy-fifth year. His mother, whose maiden name was Eliza Wright, was the daughter of a Massachusetts farmer, several of whose sons became prominent as ministers or physicians. Of the six children born to them, Charles was the third of five sons. The eldest, Edwin Bryant, was educated at the Rensselaer institute, Troy, as an engineer and surveyor, his first employment being the location of the Albany and Schenectady road, one of the earliest railroad enterprises in the United States. This was in 1829, and Charles, being then in his eighth year, was one of those who witnessed its inception. At

that date the success of Stephenson's experiment in England had been fully established, and soon afterward a charter was obtained from the New York legislature for a railroad between Albany and Schenectady, its route passing within a few miles of the Crocker home. Little did the boy dream, as he watched with eager interest the progress of this undertaking, that years of his manhood would be devoted to an enterprise of similar character commanding universal attention.

Charles received his early training at the public schools, which he supplemented by a practical education of experience and observation in contact with the actual world. "I have hope," says Leibnitz, "that society may be reformed, when I see how much education may be reformed." Under the prevailing system, the individuality of the student is sacrificed to conventionality, at bottom the same as that of the Turks, who whitewashed the precious works of art which they found on the temple walls of the Greeks. The aim is not, as it would seem, to develop the man, but to teach him book-keeping, law, or medicine, too often with the result of an indifferent book-keeper, lawyer, or physician, because his talent is not given its natural course. The same fault in rudimentary teaching is alike characteristic of the high schools. Says Herbert Spencer: "The universities of England maintained an old curriculum for centuries after it ceased to be fit." Hence it is that while we see so many boys who are not much benefited, if they are not spoiled, by the ordinary course of instruction in books, we see also many notable instances, especially in America, of self-development—as though, being left alone, nature finds its own vocation, and enters it untrammelled and elastic. I have often thought that the discipline of work on the farm, in the store or counting-house, or wherever else the wits are given free and wholesome exercise, does as much in the way of real education as all the schools. What the

world needs most from every man is his originality. Year after year our schools and colleges go on turning out their graduates like so many bullets from the same mould, with individuality marred or destroyed. Certainly there is great virtue in education, if it be of the right sort, but with such artificial productions as these the market is kept continually overstocked. They are above manual labor, and are incapable of such intellectual work as there is any demand for. The successful men of our day, not only in business, but some of them in literature too, as singular as this may appear, owe comparatively little to scholastic training. This general fact has been so often observed that it may be considered a truism; still it is worthy of consideration, for the double reason that it suggests a serious defect in our educational system, and because it is encouraging to those who are denied the advantages of a school education to realize that any one who is resolute and a hard worker can help himself to proficiency and success in whatever calling his talents are adapted to. This is, to my mind, the most wholesome, if not the highest, form of human development.

On account of his father's business reverses, Charles Crocker began, even at the early age mentioned, to contribute what little he could toward the support of the family. He bought on credit a route on the *New York Daily Transcript*, and assumed the indebtedness of the proprietor, amounting to \$200. This he paid off in time, and during the two following years accumulated the sum of \$300, in addition to helping to support his mother and sister. Of course this would not have been possible except by the most rigid economy. The frugal habit which he thus formed while a boy became a second nature, and when in after years he was the possessor of millions, he would not expend the smallest sum uselessly.

In 1836 the family removed to Marshall county, Indiana, where they had secured a quarter-section of



land; and there he aided in building a log cabin, and in planting a few acres with corn and potatoes, on which chiefly they subsisted during the following winter. His little savings he handed over to his father, together with whatever else he could earn by working for the neighbors in harvest time. Charles' principal farm-work was rail-splitting, but after getting out daily 200 oak rails, he found time for other work, which alone would have been considered by other young men as a day's task. To him a day's work meant toil from four o'clock in the morning until eight or nine at night, his evenings being passed in making or repairing the tools required for his rail-splitting.

The land on which the farm was situated formed a part of the reservation of the Pottawottamies, with whom the government had concluded a treaty, in accordance with which they were to remove to the Indian territory; but they refused to do so, whereupon General Tipton was ordered to Marshall county with a party of volunteers, whom Charles Crocker, though only fifteen years of age, joined, and assisted to collect and guard the Indians and escort them to their reservation.

A year later, Charles had the misfortune to lose his mother, a woman of sterling virtues and determined character. Soon after this, an incident occurred which greatly influenced his after life, and but for which his energies might have had no wider scope than an Indiana farm. He had been laborious and diligent, as stated, but the discipline to which young farmers of that day were subjected was not altogether agreeable. High-spirited, proud of his strength, and of a self-assertive nature, it may be that at all times he did not come up squarely to his father's requirements, or it may be that the latter was precipitate and tyrannical. It would seem that father and son, however, were alike impetuous and hasty, and while the former might be disposed to be unreasonable, the lat-

ter was quick-tempered, headstrong, and self-assertive. They fell into controversy, and though the consequence of hasty words that were spoken rendered it impossible that either could forget them, they were deeply regretted on both sides almost at once, and were amply atoned for afterward by years of mutual confidence and affection. The issue as made was characteristic alike of the elder and the younger Crocker.

"Father," said Charles, "do you want me to go away from home?" The answer he received was: "Yes and no: yes, because you are of no use here; no, because I am afraid you would starve among strangers." The first suggestion likely to occur to the reader is the utter incongruity of this forecast with the actual future of Charles Crocker. But the father's words were uttered rather as a salvo to the paternal authority than with any idea of prognostication. To construe his speech seriously would be to assume that he was totally unaware of the extraordinary force of his son's character, which had been plainly manifested on more than one occasion. Such mistakes of judgment have been made, however, though seldom with the happy results notable in this instance. At any rate, the precipitate disparagement of the young is not to be commended for imitation. The incident is not without its suggestiveness touching our relations to those near and dear to us. In order to control others, unless by force, which often defeats itself, we must first understand them and control ourselves; especially is this true in the government of children.

The Crocker homestead was situated in the midst of a forest. The nearest neighbors were two or three miles apart, and a log building served for church and school-house. It was pioneer life, abounding in hardships, and requiring hard work, with scanty returns. Mr Crocker was wont to say that if the early settlers in California had shown the spirit that was displayed by the pioneers of Indiana, they would all have be-

come wealthy. Charles had heretofore yielded ready compliance with his father's wishes, and not being afraid of work, had turned his hand to whatever was to be done toward making a home in the wilderness.

The experiences of Charles Crocker confirm the general observation regarding the foundation of character, that it is not a disadvantage to be born poor. Poverty is almost universally dreaded, yet it is the school in a country of free institutions, at least, in which men become enabled to grow in wealth or position according to their capabilities; while we see the great majority of those who inherit wealth falling back sooner or later into the ranks of the impecunious. So striking is this phenomenon, that it has given rise to the query whether it is more difficult for a man without means to accumulate a fortune or for one who has had no experience in earning money to preserve intact an inherited estate. Says one of the most eminent and wealthy business men of the Pacific coast: "I am glad that I was a poor boy. All that I have and am I owe to that fact." Necessity sharpens the wits, vitalizes ambition, and intensifies determination; in poverty are the germs of manhood and progress. It is from among the poor that men are continually coming forward to create and control, to re-energize the community. Charles Crocker's life is typical of this force, and it shows that while we may all prefer to start out in life with wealth at command, we are all the stronger for the struggle that must needs be made to acquire it. And what is said of those who aim at riches is equally true of those who strive for other distinction.

The effect upon Charles Crocker of Isaac Crocker's speech was instantaneous and radical. It transformed the boy into the man at once. The snow lay two feet deep on the ground toward dusk on that bleak winter afternoon in February 1840, but the lad cast himself adrift cheerfully, with a pair of woollen socks, a cotton shirt, and a linen dickey tied up in a handker-

chief and thrown over his shoulder. Calling at the house of his nearest neighbor, he asked for work to earn his supper and a night's lodging. The hospitable farmer insisted that he should become a member of his household. Young Crocker was first employed in taking charge of his host's cattle and horses, but it was not long before he was intrusted with the entire management of the place.

After seven months spent in this service he went to work in a saw-mill, the property of John D. Deming, his future father-in-law. Later he entered the family of a clergyman, and worked for his board and the privilege of attending school as occasion permitted. When Mr Deming inquired what kind of work he could do, his reply was, "Anything that a man can do." In answer to a question whether he could raft lumber down the river he answered, "Yes, if I saw you do it." This he did, and also disposed of his raft to advantage. Working sixteen hours a day, he received as compensation eleven dollars a month, and when his wages were increased to twelve dollars he considered himself on the road to fortune.

In the spring of 1841 he apprenticed himself to learn the manufacture of bar-iron by the bloomery process. Besides working at the forge, he weighed ore, sold iron, and kept the books of the establishment. He was industrious and zealous, and soon made himself familiar with the business.

At the age of twenty-two he had only a few hundred dollars at his command, but he had a trade, and he resolved to go into business for himself. In Marshall county, near his former home, he discovered and procured the right of working a deposit of iron. His former employer furnished the funds required to build a forge, Mr Crocker contributing \$350, his entire capital at that time, and they worked the property in partnership.

In 1849 Mr Crocker, having resolved to try his fortune in California, agreed to dispose of the business

to his partner; but while the papers were being made out, his establishment was destroyed by fire. He rebuilt the forge, however, and early in the following year the sale was consummated. Thereupon he started across the plains with a small company, of which he was chosen captain, among them being his brothers, Clark W. and Henry S. Crocker.

On reaching Quincy, Illinois, he engaged passage for St Louis, to obtain a supply of provisions, taking with him, in a large dry-goods box, the party's stock of clothing, in order that his companions might go forward to the rendezvous at old Fort Kearney unincumbered with baggage, and the teams in good condition. Arriving at St Louis, he found that the steamers ran only to St Joseph, though many passengers were awaiting conveyance to Council Bluffs, some twenty miles beyond his destination. A large vessel, called the *Tuscumbia*, came down the river, and after some negotiation, Mr Crocker made an agreement with the captain to proceed to Fort Kearney, on condition that he guaranteed 250 tons of freight, and at least fifteen first-class passengers. These he secured, and a few days later the boat sailed, arriving at St Joseph without incident.

While awaiting the steamer's departure from this point, and having learned that it was the captain's intention to discharge all freight and passengers at Sandusky, only two miles farther up the river, he called his fellow-passengers together and informed them of what he had heard. "Gentlemen," said he, "it remains with us to decide whether we will go on to Council Bluffs, or be put ashore at Sandusky, where we cannot avail ourselves of the law to libel the steamer for breach of contract. All that we can do is to stand by one another and maintain our rights, by taking the law into our own hands. Otherwise we shall be dumped ashore. Then before we can reach our teams the summer will be gone, and we shall not be able to cross the plains. I am disposed, if it be



necessary, to take possession of the steamer and carry her through to Council Bluffs. Let us appoint a captain to direct our movements." They all agreed with him, and called upon him to take the lead. "This is going to be no child's play," said he; "have your guns loaded; shoot when I tell you, and don't miss your man." He had no apprehension of bloodshed; the precautions taken were pretty sure to prevent it. On reaching Sandusky, the vessel was made fast to the landing, the fires put out, and all the passengers retired, except two, who kept watch. Just before daylight, the sentinels reported that the crew were preparing to discharge, whereupon the party assembled under arms at the gangway. In front of the other freight stood the dry-goods box, which the mate ordered removed. Stepping up to him, Crocker quietly remarked: "That is my box, and it does not go ashore here." The mate returned no answer, but repeated his order, when Crocker drew his pistol. "The first man who touches that box dies!" "Shore that box!" shouted the mate; but his command was unheeded, and he was told to put it on shore himself if he dared. He hesitated, for the man confronting him held him covered with his revolver and looked him straight in the eye. He withdrew, and reappeared with the captain, who demanded the cause of the mutiny. "It is no mutiny," replied Crocker; "your contract, as written in the bill of lading, is to take us through to Council Bluffs." "That is beyond my power; there is not enough water in the river to proceed farther." Crocker pointed to the floatwood drifting down the stream. "If you make the attempt," said he, "and prove that you cannot go farther, that will be a different matter; but until then, we do not intend to be landed at Sandusky." Being invited into the cabin to talk the matter over, the captain offered him \$800 for a release from his agreement, which was refused. Thereupon he pleaded the want of fuel and provisions; but was answered that the passengers



would cut all the wood that was needed, and as for provisions, they would take care of themselves. On reaching Fort Kearney, the captain invited Mr Crocker to join him in a bottle of champagne, and on bidding him good by, he remarked: "If anybody gets to California, you will."

After crossing the Missouri, Mr Crocker and his party travelled along the banks of the Platte to the Black hills, crossing the north fork of the Sweet-water; thence through South pass to Green river, and by way of Fort Bridger and Salt Lake City to the banks of the Humboldt. During their journey they followed almost the route afterward taken by the overland railroad. In 1869, in his special car, he passed eastward, on a line not at any point more than fifty or sixty miles from the emigrant road, every mile of which, from Sacramento to Promontory, had been constructed under his supervision. The time consumed in his first journey from the Missouri to California was 100 days; in his second, it was exactly 100 hours. Nineteen years after setting out from Council Bluffs on his toilsome overland march, and on the very same day of the year, he arrived again in Omaha, presenting to his friends flowers from his own garden in Sacramento, and strawberries gathered in the valleys of California and packed in Alaskan ice.

On reaching Green river another incident occurred which showed Mr Crocker's qualifications for leadership. There were many teams in advance of them, and the old wagon-box which served as a ferry-boat made transportation slow. Mr Crocker, with a companion, found a place near the river bank where grass was abundant, and they proposed to camp there for the night. When leading their horses to water, they came upon a party of men grouped around a camp-fire, one of whom kept watch over their animals near by. The latter approached Mr Crocker, who was driving a stake in the ground. "What are you doing?" said he; "you can't picket your horses here."

Mr Crocker went on driving in the stake, which the other threatened to pull up. "Do it if you dare," he remarked; whereupon the intruder rode away to his camp. "Now," said Mr Crocker to his comrade, "they are coming with their rifles; you put your pistol in your overcoat pocket, hold your finger on the trigger, and draw when you see me draw; dash right in under their guns, and fire into them quick and fast." Presently the expected party approached, as the two men were seated at their supper of ham and biscuit. "Hallo, stranger," exclaimed their spokesman; "what do you mean by coming here and taking our camp?" Walking quietly up to him, Crocker replied: "You have come here with guns to fight; shoot!" "Well," he said, "you can't stay here to-night; we won't have your horses among our mules." "I told you once to shoot; unless you take back your guns I will not talk with you. Six of you big fellows with rifles, against two unarmed men; it is just like you Missourians; why don't you shoot?" "Well," replied the other, "it does look pretty rough—six against two"; then turning to his companions, "take the guns back to camp. I'll attend to him." After some further parley he admitted that their claim was as good as his, and bidding them good-night, rode off. Other instances might be related of Mr Crocker's presence of mind and contempt of danger, qualities which later won for him the respect of his associates, for in the pioneer days of California they were among the most conspicuous of human virtues.

Early in July his party reached the banks of the Humboldt, where the real hardships of the journey began. For the most part they travelled by night, devoting the daytime to procuring feed for their horses, by cutting grass with scythes and floating it down the river. But their privations were of little moment as compared with the sufferings of others; all around them were bands of fever-stricken men, to some of whom they gave a little food, to others medi-

cine, and then hurried on, lest they, too, should be overtaken by disease and perish. After halting for a few days at the sink of the Humboldt, where grass was abundant, they placed all their effects in a single wagon, and casting aside every superfluous article, set forth with ten of their best horses to cross the desert. The thirty miles intervening they accomplished in a single night, and on the following morning they drank of the pure, cold water of the Carson river.

In August 1850 Mr Crocker arrived at Sacramento. Thence he soon afterward returned to Placerville, and during the winter and a portion of the next spring worked a placer claim in Big cañon with tolerable success. He then opened a store in partnership with his brother, whom he left in charge, while he attended to the purchase and transportation of goods, hauling merchandise and supplies to the mines in six-mule teams. Later, in 1851, he established a branch business at Negro hill, and early in 1852 built a third store in Sacramento, which he stocked with miscellaneous goods, in partnership with Gordon Backus.

In the autumn he went east on a visit to his native state, and married. During his absence the great fire which swept away most of the business quarter of the capital destroyed his property, but he did not learn of this disaster until his return to California with his wife. Having ample credit, he at once built and stocked a new and larger store. His goods came in upon a market already heavily supplied, and it was only with great difficulty that he could sustain himself. Under careful management, however, affairs began to move, and in 1860 he found himself free of debt and at the head of a prosperous business. Meanwhile several changes had occurred in the personnel of the firm. In 1853 Mr Backus retired, and Clarke W. Crocker, was admitted into partnership. A year or two later the latter withdrew, and James Judson of New York joined the firm, which was known as Charles Crocker and company.

Mr Crocker's personal dealings as a merchant were straightforward, and he did not allow his employés to practise indirection. One day a wealthy and influential woman, who had refused to patronize him because he was a republican, came into the store, and was informed by a salesman that he had become a democrat, whereupon she ordered a bill of goods. On being informed of the trick, Mr Crocker interposed. "Take her what she has ordered," he said, "but tell her that you were mistaken; that my goods are for sale, but my principles are not, and that if she wishes she may return the articles." While the salesman was delivering his message, it chanced that he was overheard by the woman's husband, who told her to retain the goods, and expressed his admiration of the merchant who refused to countenance deception.

In 1855 he was chosen an alderman of the city, among the councilmen being Mark Hopkins, with whom he then formed an acquaintance which afterward ripened into life-long friendship. With Mr Stanford and Mr Huntington, also, he became well acquainted, mainly from the fact that they were all of the same politics, and were thrown together in the organization of the republican party.

In 1860 Mr Crocker was nominated for the state assembly, and was the only candidate on the republican county ticket who was elected to the legislature. Those who heard his anti-slavery speeches marvelled at his election. By his outspoken advocacy of the union cause he more than once endangered his personal safety. While electioneering at Georgetown, a mob threatened to tar and feather him if he did not leave the town. But they did not understand the character of the man with whom they had to deal. "I have come here," he said, "to speak, and speak I shall, according to my convictions, let happen what may." In the evening a crowd assembled, but he had only begun his speech when a disturbance arose which might have ended seriously had it not been for the

favorable impression the candidate had made upon a rough diamond in the camp of his enemies. When a row seemed imminent, this fire-eater stepped forward, and was heard above the din to exclaim: "I'm in for fair play. You go ahead, Charley Crocker, and say just what you please. The man that lifts a hand against you will do it over my dead body." Order was restored; Crocker made a rousing talk, and the people of Georgetown gave him a larger majority than he got anywhere else.

A few months before Mr Crocker took his seat in the assembly, the railroad question was introduced at a meeting called for the purpose at the St George hotel, in Sacramento, at which he met Stanford, Huntington, Hopkins, and Judah, the last-named an engineer by profession. Mr Crocker agreed to subscribe toward the expense of such a thorough survey as would be a test of the undertaking on the threshold. Later he had frequent conversations with Judah on the subject, and one day meeting Huntington, who was soliciting subscriptions, he remarked to him: "You appear to be taking a great interest in this matter." "Yes," said Huntington, "and I want to talk with you about it; we are trying to form a syndicate and see what we can do, and your name has been favorably mentioned." "Well," replied Crocker, "I think that anything you and Uncle Mark [Hopkins] undertake is worthy of some attention." In the following spring a corps of engineers was organized, in charge of Judah, who ran a base or trial line across the mountains to the big bend of the Truckee river.

On the 28th of June, 1861, the Central Pacific Railroad Company of California was organized under the incorporation laws of the state, with Leland Stanford as president, C. P. Huntington vice-president, Mark Hopkins treasurer, James Bailey secretary, and T. D. Judah chief engineer. The capital stock of the company was \$8,500,000, divided into 85,000 shares of \$100 each, Mr Crocker and his associates,



with the exception of the secretary, each subscribing for 150 shares, and other parties swelling the total to 1,580 shares. On these, ten per cent was required to be paid in cash, yielding in all \$15,800 wherewith to begin the building of the Central Pacific, single miles of which were to cost more than twenty times that amount. The boldness of the projectors of the scheme was characterized as insanity. These Sacramento shop-keepers, it was freely said in derision, would soon dump all they had, which was not much, in the cañons of the Sierra.

None of them were rich, but each might be called a natural selection for the gigantic undertaking. Mr Stanford, who was among the founders and leaders of the republican party, had been elected governor of the state, and held this position at the inception of the enterprise. Among other useful qualifications, he was a lawyer, and had practised in the courts of Wisconsin. He was a man of strong character, diplomatic and popular. Mr Huntington was one of the shrewdest traders ever bred in Connecticut, where he began his business life at a salary of seven dollars a month. Keen and alert, he despised no speculation that offered a chance of legitimate profit. On account of his tact and judgment in finance, the syndicate made him their eastern attorney, for the negotiation of loans and the purchase of materials for the construction and equipment of the road. Of Mark Hopkins the vice-president remarked: "I never considered any matter settled until he had looked into it." By all his associates he is described as "one of the truest and best men that ever lived"; and if in the eyes of the world the part which he played was less prominent than that of his partners, it was nevertheless important. He was cool, deliberate, and methodical, and his counsel was generally sound. He was the inside or office man, and a strict economist, without whom the combination would not have been complete. Mr Crocker was one of those who love work



for work's sake; in whatever he was engaged, energy was always a large factor in his success. Broad-minded, big-hearted, and earnest, he carried his share of the burden buoyantly. He had learned how to manage bodies of men, who, under his control and encouragement, worked well up toward the maximum of their capacity. He infused his enthusiasm into them. Trained to habits of thrift, he also knew how to make every dollar count. Though liberal in the expenditure of money for a purpose, he regarded extravagance or waste as an abomination.

"Charles Crocker," remarked a well-known scholar and student of character, "filled an essential place in this matchless group. His was the construction force, not that which struck out the plans, or managed the finances, or glided through legal complications, but that which was at the front, pushing the road. It is his mark, drawn by his own hand."

For thirty years before its construction began, hundreds of men had suggested as many different plans for a Pacific railroad. Among the first to propose such an undertaking was Hartwell Carver of Rochester, New York, whose scheme was to build a track across the continent, with its western terminus on the Columbia river, California being then a part of Mexico. After petitioning congress for more than fifteen years, and spending forty years of his life and impoverishing himself in attempting to carry out the project, he was compelled to abandon it. The only reward he ever received was a free pass over the Central Pacific. The most famous project, and the one which came nearest to acquiring vitality, was that of Asa Whitney, who proposed to connect Lake Michigan by rail with Puget sound.

In 1854, when there were about 17,000 miles of railroad in operation throughout the United States, a transcontinental line was urged upon congress, and two years afterward it was strongly argued in the California legislature that such a railroad should be

built, in order to promote the development of the state. It was not until the railroad convention, held in San Francisco in September 1859, that any decided steps were taken. On that occasion a resolution was adopted, favoring the appropriation by the legislature of \$15,000,000 toward the construction of a road to the state line, provided the national government would build westward to the Sierra Nevada.

Many Pacific railroad bills were introduced in congress during 1855-6, all of which were defeated through the opposition of the South. The question was frequently presented in various forms, without result, until the secession of the southern delegates gave a new character to legislation.

The chief causes which induced the government to finally aid in the construction of the pioneer overland railroad were,—1. That it was a political necessity, in order to prevent loss to the union of the Pacific states; 2. That it would put an end to Indian wars; 3. That it would furnish cheaper and more rapid means of transportation for mails, troops, and army supplies; 4. That it would lead to the development of the resources of the vast region between the Missouri and the Pacific. As Justice Davis remarked: "The primary object of the government was to advance its own interests, and it endeavored to engage individual coöperation as a means to that end."

Under the provisions of the act of congress of July 1862 to aid in the construction of a railroad from the Missouri river to the Pacific ocean, the Central Pacific company found it difficult to borrow money. The measure was immediately helpful, however, in this, that it was an expression on the part of the government to render assistance in the construction of the overland road, and that it carried with it the franchise to build eastward. The act of July 1864 enlarging and modifying the terms of the act of 1862, being itself amended in 1866 so as to provide that the Central Pacific might build its line

eastward until it met that of the Union Pacific, gave to the enterprise all the vitality that such legislation could confer. The Central Pacific road-builders obtained some assistance from the state and certain counties of California, but not without strenuous opposition. As might be expected, they were antagonized by various elements of an unfriendly character. San Francisco embarrassed them by declining to fulfil a contract to exchange bonds of the city for stock of the company, and compromised by giving \$400,000 instead. The citizens of the metropolis were afraid of the enterprise. How the war between the states might result no one could foretell; there was no certainty that the government would survive; on the day that the act of 1864 became a law, greenbacks were selling in San Francisco at forty-eight cents on the dollar; capital was scarce and sensitive. Certain influential journals condemned the enterprise *in toto*, and persisted in aggressive and incendiary attacks upon the promoters of the road. Obstacles expected and unexpected arose on every hand. In parts of the country which would be most benefited by rail transportation, violent opposition was encountered. The company was subjected to protracted litigation, and its adversaries used every device available to poison the minds of capitalists against it. It was declared by a leading civil engineer in a written statement prepared by request for the railroad committee of the Nevada legislature, that the Central Pacific could not be completed in twenty years, with all the money in the bank of England to back the enterprise. Said he: "I have had twenty-five years' experience as an engineer in connection with railroads; have carefully examined all the engineering works of importance in Europe and the United States; have seen much heavy work; have constructed railways where the graduation cost over \$100,000 a mile for five consecutive miles; and I must confess that all my ideas of physical obstacles in the construction of

railroads are so completely below the difficulties to be encountered on the route of the Central Pacific, that I cannot conceive that any set of men will seriously undertake to construct a railway over such a country from Illinoistown to the summit of the Sierra and thence to Truckee." His criticism was temporarily as injurious as it was intended to be; but was, nevertheless, in some respects, scarcely an exaggeration of the difficulties he was interested in magnifying.

At Virginia City, Nevada, where Mr Crocker endeavored to arouse the interest of the people by showing them the advantage of quicker and cheaper transportation across the mountains, and the facility the railroad would afford in bringing to the mines such heavy machinery as could not be moved by wagon, he met with no encouragement. "Do you think it would earn two per cent per month?" they asked. "No," he replied; "I do not." "Well, we can get that for all the money we have; we do not care to invest." This was the feeling throughout the Pacific coast.

The owners of the Sacramento Valley railroad and the toll-roads and stage-lines, whose business would be absorbed, were arrayed against the new and more expeditious route. Bitter and unscrupulous individuals and newspapers manufactured the scandal that the Central Pacific did not intend to build beyond Dutch Flat; and it was not until the contrary had been demonstrated that the company's enterprise ceased to be referred to as the "Dutch Flat swindle."

On the 22d of February, 1863, the work was formally begun, the first shovelful of earth being thrown up at the foot of K street, Sacramento. During the year, twenty miles of the road were completed, and the company continued building slowly, the directors using their private credit, until thirty-one miles had been built, and Newcastle had been reached. Mr Crocker, who had constructed the road up to this point under contract with his company, saw the ne-

cessity of associating with him other contractors who could command capital adequate for so great a work. The result was the organization of the Contract and Finance committee, in which it was hoped that many could be induced to take stock, as their liabilities would be limited to the amount of their subscription. In this the company was again disappointed. Capitalists who were applied to saw a chance for large profits, but the risks were too great. Finally, the original parties, seeing no other recourse, took the stock of the Contract and Finance committee, and determined to "travel with it to failure or success, as the case might be." It is supposed to be this trying time to which Charles Crocker had reference when he testified as follows: "I would have been glad to take a clean shirt, lose all I had, and quit."

During the first three years, or until the close of 1865, only fifty-two miles were constructed, that is to say, as far as the town of Colfax, this slow progress being mainly due to the difficulty and cost of procuring materials, and to the scarcity of labor. In the winter of 1864-5 only 500 laborers were employed; to these were added, during the summer, 2,000, and later several thousand additional Chinese, imported expressly for the work. In 1866-7 the track was pushed forward to the summit, a farther distance of seventy-five miles; but it was not until June of the following year that the first train crossed that point from Sacramento. In 1868, about 350 miles were built; in little more than four months of the year 1869, nearly 270 miles were constructed, and the road finished. When, before this date, Mr Crocker had promised to lay a mile of track a day, his proposition was regarded by railroad men as extravagant.

At the head of his workmen, numbering at one time more than 10,000 laborers, teamsters, mechanics, and engineers, Mr Crocker shrank from no labor or hardship. The capacity of all the foundries and machine-shops, wagon and blacksmith shops, harness



factories and saw-mills, in the country within reach was taxed to fill his orders. Thousands of horses and mules, and wagons in proportionate number, and fifty vessels per month ascending the Sacramento river, loaded with iron and ties for the road-bed, give some idea of the forces and materials employed; but so thorough was the organization that the work went forward with little confusion or loss of time.

At a time when four miles of track a day were being laid, Mr Crocker, whose vigilance never relaxed, discovered that cars had come to the front without rails and fastenings, and loaded altogether with ties. Hurrying back to the supply station, he inquired into the cause of this embarrassing oversight. The foreman could only say that he had been guilty of neglect and was very sorry. Said Mr Crocker, "This is more than neglect; it is a crime. It can't be overlooked. Go!" Bursting into tears, the foreman replied: "What you say is true, Mr Crocker, but I have been a faithful man, and it is pretty hard on me." "That is also true, but without discipline this work might as well be abandoned. Send me your assistant." At the end of the month, however, the man was reinstated, and for years rendered valuable service.

Among such a heterogeneous mass of workmen, difficulties would at times arise. One day, noticing a knot of laborers in confab, Mr Crocker remarked that there was mischief brewing. "Yes," replied his foreman, "they are getting up a strike, or something of the kind." "Leave them to me," said Crocker; and as they came within speaking distance, he called out, "Strowbridge, we shall have to reduce wages on this cut; we are paying more than we ought to pay." Hearing this, they stopped to consult, and presently one of them stepped forward saying, "We thought that our wages ought to be raised a little on this work; the cut is very wet." "Why," answered Mr Crocker, "I have just been talking to Strowbridge



about reducing your pay." "Yes, sir; but we expected a raise, and surely your honor won't cut us down." "Well, Strowbridge, what do you think—can we afford to pay these wages?" "Oh," said he, "it is no use having any trouble about it; I guess we had better keep them at the same figures." The strike was thus averted, and the disappointed laborers returned cheerfully to their work.

In the four years during which, day and night, Mr Crocker and his toilers laid siege to the Sierra, fifteen tunnels, one of them 1,650 feet in length, were driven through the solid rock. As the track crept up the western slope of the mountain, the builders found themselves now on the brinks of precipices 1,500 feet in height, and now amid avalanches of snow and ice which thundered across their pathway from crags seemingly suspended from the skies.

The Union Pacific had not begun the work of construction until 1865, in the summer of which year the Central Pacific reached Clipper Gap. In one respect the advantage lay with the former, whose line for several hundred miles ran over level country. It was not until the autumn of 1867, when the Central Pacific had emerged from the Sierra, that the race between the two companies for bonds and lands and traffic was begun in earnest.

The Union Pacific, having completed 550 miles, was far ahead of its competitor. In the following year it covered 425 miles to the Central Pacific's 363. The rapidity of construction entailed extraordinary difficulties and enormous outlay; but the financial status of the roads rendered expedition a necessity. The building of the road over the rough portions of the mountains had cost greatly in excess of the market value of the government bonds appropriated to that part of the construction, and it was essential that every effort should be made to recoup on less difficult ground. When gold was at 220, and their own bonds were slow of sale at a discount of 30 to 40 per cent,

building materials of every description, bought at war rates in the east, were transported around Cape Horn, and were enormously expensive. Wood was \$25 per cord, ties from \$2 to \$3 a piece, and other supplies, procured from local sources, in the same ratio. If the twelve years allowed for construction had not been shortened by more than a year, neither company might have been able to sustain its burden. But for the discovery of an available route over the Black hills, largely reducing the cost of that portion of the way, the Union Pacific would probably have been bankrupt before the work was finished. For the Central Pacific a similar fate was threatened, until the unreliable and exacting labor of such white men as could be procured at that time was replaced by or supplemented with that of the more tractable and cheaper Chinese.

Early in 1868, Mr Huntington having informed Mr Crocker that the Union Pacific intended to build its road during the following summer as far as the California line, the latter replied by telling him to ship all the iron he could procure. Meanwhile a member of the Union Company arrived on the coast for the purpose of ascertaining the building prospects of the Central Pacific for the coming season. Acting on the principle that everything is fair in war, Crocker resorted to strategy. He explained to him the difficulties his company was laboring under for the want of material. Inviting his visitor to the front, they met Strowbridge, foreman of track-laying, a supplementary interview with whom confirmed the agent of the Union Pacific that their rival would not build 150 miles of road during the year, and he so reported. As the two lines neared each other, the Union company laid a little over four miles in a single day. This feat was heralded over the country as the greatest that had ever been accomplished. Soon afterward the Central company completed six miles in a day; the Union followed with eight miles and a fraction. Said

Crocker, "We'll take off our coats and beat them; but we won't try it, though, until we are so close they won't have a chance to get back at us." When the Central's line had approached within 14 miles of its terminus, and Crocker had outlined his plans for the final struggle, his foreman hesitated. It did not seem to him possible to utilize men enough to do the work. His doubts were met by the determined assurance of his chief: "We are going to lay ten miles of track; you can make up your mind to that. I have been thinking over this matter for a fortnight, and I know what I am about. Each train-load will contain materials enough for two miles, and as soon as one train has dropped its load, forward the rails as fast as the men can carry them. Then bring up and unload another train. Have your men in readiness for spiking; let the first man drive in only one particular spike; as he passes on from one rail to another, let the man who follows him drive in the second spike on the same rail, and so on. See that you have enough spikes on hand, so that no man stops for an instant or passes another man. Then let the straighteners follow, and see that they advance without stop or hitch. Close on their heels, but not so close as to interfere, bring forward the levellers and fillers." A general officer who was present on this occasion remarked that he had never before witnessed greater completeness of organization. "It was," said he, "as if an army marched over the ground and left behind it a railroad finished. I rode beside the workmen, and at times the track was laid as fast as my horse could walk." Thus it was that the proposed ten miles, and 185 feet additional, were laid between daylight and dark on that day of days in the history of track-laying. As an evidence of the substantial character of the work, the construction trains, the last one of which was a ponderous double train with two engines attached, passed to and fro over the line without break or derangement. In this connection it is in order to note

that, owing appreciably to the thoroughness and solidity with which its road-bed was constructed, the number of accidents on the line of the Central Pacific has been below the average of that on other first-class lines in the United States.

May 10, 1889, seven years before the limit fixed by congress, the last spike on the Central Pacific railroad was driven home at Promontory, in the presence of a concourse of people, including the directors and employés of the two companies with their invited guests, a delegation from Salt Lake City, and a detachment of United States troops with a military band from Camp Douglas. The spot was a grassy plain inclosed by verdure-clad hills, its horizon bounded on the east by the silver-rimmed summits of the Wasatch, while toward the west appeared the iridescent hues of the great Salt lake. Grouped in picturesque confusion were men of almost every complexion, creed, and nationality, the Indian, the Mongolian, the Saxon, the Celt, and the half-caste Mexican, some arrayed in gorgeous costumes, and some without any, mingling freely with American citizens and soldiery, and all curiously watching the preparations. A train from the west appeared in sight, drawn by a decorated engine, and soon afterward another from the east, bearing the principal factors in the achievement. Several passenger-coaches that arrived from New York on the following day were attached to the president's car on his return to Sacramento, and were the first that passed over the entire distance from the Atlantic to the Pacific shore.

Considering the magnitude of their enterprise, and the scantiness of their means until their securities appreciated, the Central Pacific road-builders had accomplished a prodigious work; a work, too, of supreme benefit to the Pacific coast and the United States; a work of world-wide interest and importance. It gave them a more than national reputation as creators of value and practical promoters of civilization. Their

standing as business men was established on a high plane, and each could count his wealth by millions.

If there was ever a serious doubt as to the expediency of discriminating governmental aid in the building of railroads, the argument seems all against it. Canada has deemed it wise to tax her resources most severely in order that her distant frontiers may be brought nearer together. The subsidies granted by the Dominion government to the Canadian Pacific are of such munificence that all the aid extended to both Central and Union Pacific railroads by the United States government seems small in comparison. The subventions and concessions made to railway enterprises by the Mexican government for the sake of internal development have been proportionately on even a larger scale, larger perhaps than her resources justify. The tendency of our own government in later years has been shown, for instance, in granting a larger subsidy in bonds and lands to the Northern Pacific than the subsidies to the Central and Union Pacific roads combined.

The members of the Sacramento syndicate were all in the prime of mature manhood, when it would seem they had already done their share of work and might rest. But proud of their success, and confident of their ability to go forward and build other roads, and extend their system throughout the Pacific coast, they were naturally unwilling to lose the advantage of the experience and momentum they had gained. Before the overland had been finished, they had already acquired the franchise of the Western Pacific, which was soon afterward completed, with a branch to Oakland, and connection was thus made with San Francisco.

Passing over the details of the construction and purchase of subsidiary local roads, suffice it to say that before the close of the year 1884 they owned or controlled more than 5,500 miles of railroad, including all the lines running into San Francisco,



Sacramento, Stockton, Vallejo, and Los Angeles, and with one exception, all running into Oakland, having the entire broad-gauge system of the state centralized under one management, and practically under a single ownership. Said a distinguished San Francisco financier in addressing the American bankers' association in 1881, regarding the California builders of the overland railway: "Despite all the jealousy that their acquisitions may have excited, there is no doubt that it has been, on the whole, good for California that the railroad management has been thus concentrated. Railroad development has unquestionably been more regular and thorough and healthy, and the economy in building and running much greater, than it would have been had the California railroad system been in the hands of a dozen different companies, each working independently, and often at cross-purposes, each maintaining a separate staff, and wasting means in opposition and rivalry, which the public at large must ultimately make up. Of the enormous sums thus saved by a single intelligent and harmonious management, the portion taken by these men for their own personal purposes amounts to an insignificant percentage. And after all that is said of their colossal wealth, it still remains true that they have used this wealth but as trustees for the whole community."

The wear and tear which Mr Crocker suffered in the construction of the Central Pacific had seriously impaired his health. For months before he received from Mr Huntington the news that an arrangement had been made with the Union Pacific company for the meeting of the two lines at Promontory, he could scarcely sleep. "Those six weary years," remarked an appreciative friend, "were years of toil and strife. The first thirty miles of the road did not involve great trouble or hardship; but the next sixty miles entailed a struggle with all the giants of opposition, coming up out of bottomless cañons, throned on rock-ribbed hills, rushing out of dark caverns, hiding in far re-



cesses, dropping down from the clouds, riding upon the backs of storms, and sometimes mingling earth and sky in a common mass of congelation. When those sixty miles were completed, and the superintendent looked down from the western exit of the summit tunnel upon Lake Donner and the tremendous gorges that lay between, he might well have been again appalled at the prospect."

In 1873, by the advice of his physician, Mr Crocker withdrew for a time from active business, and passed two years in foreign travel. Before his departure, as he could not participate in person in the affairs of the road, he insisted on disposing of his interests to his associates. On his return, however, they refused to accept his resignation. Said they: "Just consider that you have had a two years' leave of absence, and resume possession of your property on the same terms on which you disposed of it." With health apparently restored, and gratified by this evidence of their continued appreciation, he resumed his old place among them.

It was then that he devoted himself to the building of the Southern Pacific, a large portion of which was constructed under his supervision, of which company he was superintendent and president up to the time of his death.

Apart from his railroad enterprises, Mr Crocker was connected with other projects tending to the development and prosperity of the country. In promoting irrigation, he conferred a far-reaching benefit upon California. With others, but as the chief factor, he purchased water rights and organized a company with a large capital, constructed tunnels, ditches, and a reservoir on a mammoth scale, near the city of Merced, in order to divert and store the water of the Merced river. A wide scope of country has been reclaimed by this means, and been made capable of producing with certainty every year large crops of grain and various fruits.

In October 1852, as already related, Mr Crocker married, in Indiana, Miss Mary A. Deming. Of their six children, three sons and one daughter are still living, the latter being now the wife of C. B. Alexander of the law firm of Alexander and Green of New York city. Their second son, George, a graduate of the polytechnic school, Brooklyn, N. Y., is engaged in the cattle business; their youngest son, William H. Crocker, who completed his education at Yale college, is cashier of the Crocker-Woolworth bank of San Francisco.

The eldest son, Charles F. Crocker, a native of Sacramento, was born in December 1854. His literary course, but for the failure of his eyes, would have been completed in college or university, for liberal culture was his pride and ambition. His studies did not go beyond the public schools of San Francisco and the polytechnic school of Brooklyn, but his education in railroading had been none the less thorough. Starting in actually at the beginning, just as though he was not Charles Crocker's son, he has proved his efficiency in the various branches, and has risen from one department of the service to another by his own force and character. He now stands peer among the chiefs who control the corporation, as its first vice-president and resident managing director. The honors and responsibilities thus earned become him as one both born to and bred in the profession of transportation.

In 1875, Charles Crocker, having built on California street, San Francisco, a residence to accord with his great wealth, removed with his family to this dwelling in the metropolis.

On the 27th of November, 1877, Mr Crocker and Mrs Crocker celebrated their silver wedding, amid the congratulations of hundreds of guests from all parts of the Pacific coast. Among the reminiscences of the earlier days in Sacramento, he referred during the evening to the dwelling in which he was domiciled

after the great fire—a slate-roofed cabin, ten feet by twelve, on the river side. The contrast between the picture, thus brought up, with the palace in which his guests stood was quite suggestive. Turning to the officiating clergyman, he exclaimed in his jovial manner: “Well, Benton, you married us twenty-five years ago, and we have clung together ever since. Try it again, and see if you can unite us for another quarter of a century.”

But the great road-builder knew that his days were numbered. A fatal disease had taken hold of his system. His vitality and will-power were great, and he rallied more than once. Endowed with an iron constitution, and inured to labor from childhood, he was capable of superlative endurance; but gradually his vital powers forsook him, his recuperative energies became exhausted, and at length, August 14, 1888, at Monterey, his battle with the Invincible terminated. The deceased lacked but an inch of being six feet tall, and was of massive build and commanding presence. The energy and force that characterized him were indexed on his face and in his walk.

At his funeral, whispers of grateful recollections and sympathy arose from a multitude of persons of every condition of life who surrounded the church. Among his intimate friends who acted as pall-bearers were leading citizens of the state; while a party of colored men who had been for years in his service, and were not the least sincere in all that throng of mourners, placed the remains of their friend in their temporary vault at Laurel Hill cemetery.

In his domestic and social relations, Mr Crocker was most fortunate; his home was his comfort and delight. The ills that fell to his lot he bore manfully. In his earlier struggles he was not cast down by adversity, nor in his later career was he puffed up by success. Broad in his sympathies, and of tender disposition, ordinarily cheerful, and having always a keen relish for the good things of life, he was one of the

most companionable of men. He thought and acted quickly, often on the impulse of the moment; and if he were hasty or brusque in manner at times, it was not because his nature was unkind. At heart he was as tender as a woman.

In business he was firm and decided, insisting that others should live up to their contract with him, while it was a pleasure for him to fulfil whatever obligation he incurred. He had his faults, but he was as candid as he was brave; and when he is fully known he will not be loved or admired the less because he had infirmities, like the rest of us. He made mistakes, but those who knew him say that no one would more cheerfully acknowledge an error or go to greater lengths to make amends. Whatever his weaknesses may have been, he was not mean or unmanly. His enemies as well as his friends could always find him. The latter could command him; to the former he yielded nothing. Of strong individuality, and but little disposed to imitate or conform to others as regards the conventionalities of society, he retained his own mould. If he were deficient in polish or unskilled in blandishment, his integrity of purpose and moral courage made him more than genteel. The gentleman is a man of essentials, not accidents; character, and not artificiality. Among other evidences of Charles Crocker's gentility, he manifested a high sense of personal and community honor. In 1861 many of the people of Sacramento were enraged by the destruction of their property in the flood, and charged their losses to the negligence of the city authorities. In their frenzy, some of them declared their intention to seize the money in the public treasury to repair the damages sustained. There were but few who had the courage to protest against this outrage. But Mr Crocker faced the angry crowd and denounced their conduct. Said he: "We can afford the loss of our homes and property, but the loss of our honor we cannot afford; to take this money from

the treasury by force would bring down upon us eternal shame and disgrace. Can we deliberately brand ourselves and the capital of the state with infamy?" Whereupon, subscribing a liberal sum for the erection of a temporary levee, others followed his example; means were raised to meet the emergency, and the tumult subsided.

He was an executive man; his chief force was in action. He wasted no time on theories; the thing to be done having been determined upon, it was his characteristic to take hold and do it. At Sacramento a petition was handed to him from those employed in loading and unloading freight, complaining of the delay caused by the inconvenient location of the depot. "What is it," he said, "that you people want?" "We want you to move the depot, and have the track run on the other side." Within twenty-four hours the work was begun. He had no patience with dilatory men, and he required every one under his control to perform his allotted task in its fulness and on the day appointed. Yet he did not exact work from his employes according to the measure of his own capacity, for there were few who could keep pace with him in hard work.

Though Mr Crocker was not a man of liberal culture, he possessed a vigorous, active, and comprehensive mind, and was well informed on many subjects of general interest and value, apart from that with which he was most familiar—the problem of transportation. He had an undeveloped appreciation of the principles of art, science, and literature; and notwithstanding the multiplicity of his business cares, he found leisure for and was liberal in assisting to promote enlightenment in these several spheres. But above all, he had a great knowledge of his fellow-men, and he was charitable. Many a home of refuge or relief did he help to provide for the sick, destitute, or otherwise unfortunate; many the benevolent association to which he was a friend in time of want or



difficulty ; while his private benefactions outnumbered the days of each returning year.

The central council of the associated charities of San Francisco paid this tribute to his memory: "In the death of Mr Crocker this association has lost an earnest and sincere promoter of its purposes and aims, whose quick insight, keen sagacity, and sterling business sense at once caught the scope and intent of the work. We recall his genial presence and inspiring words, and we record with gratitude the memory of his generous support and benevolent sentiments."

He was among the earliest and most efficient benefactors of the kindergarten society of San Francisco ; and on the day before his death he signed a check for a generous sum in response to the appeal of a little girl in Sacramento who asked his aid in establishing a kindergarten there.

On hearing of the destruction by fire of one of his finest business buildings, his first act was to present \$5,000 to the families of two firemen who had lost their lives in their endeavors to save his property. When the conservatory at Golden Gate park was burned to the ground, he not only furnished the means to rebuild it, but ordered his own architect and workmen to replace it at once with a more handsome edifice. To the Boys' and Girls' Aid society he gave \$31,000, the estimated cost of their new building, completed in 1886. In conjunction with Mr Stanford he purchased the Ward collection of specimens in natural history and geology, presenting it to the California Academy of Sciences, together with the sum of \$20,000 as a fund for needy scientists. To many charitable institutions he was accustomed to give his check for a liberal amount every Christmas, while he kept on his private list many beneficiaries to whom he gave a regular monthly stipend. His charities in the form of alms alone would furnish material for his memorial, yet they are secondary in actual beneficence and scope to the one great benefaction of his life,



that enterprise by which, though he enriched himself, thousands have been made happy.

Assisting to subdue and bind with iron the heights of the Sierra, whose snow-clad summits had stood for ages a natural barrier between east and west, he and his associates opened wide the channel through which the tide of home-makers will flow into these western shores for hundreds of years. The progress made in this country within a score or two of years excites present wonder; and who among us can do more than speculate upon the future of this coast? Here is being unfolded a composite civilization, which we trust will idealize the capabilities of the best elements that the old nations of the earth have contributed to it, in the growth of power, wisdom, and virtue, on this soil. In 1869, two masterly feats of engineering and finance were consummated—the construction of the Suez canal and the pioneer overland railroad. All honor to the men by whom these beneficent results were brought about! When the names of most military captains, whose campaigns have made mankind wonder, have faded from the pages of history, the Sacramento syndicate will still be remembered as factors in this industrial epoch; for, in the words of Carlyle, “with those who create something, with those alone, in the end, does the hope of the world lie.”

No study of Mr Crocker's life and work on the Pacific coast would be complete without reference to one who was his companion, counsellor, and inspiration from the early days in Sacramento up to the time of his death. Although by virtue of her personal qualifications, her character, and her wealth, Mrs Crocker might readily have taken the lead in society, she did not desire that distinction. To her there were no associations so dear as those of her household, no duties more sacred than those of wife and mother. In all his good works Mr Crocker enjoyed the coöperation of his wife. During his last sickness he expressed a desire to bequeath to the city of San Francisco

some token of his good-will, but left it to her to determine the nature of the bequest. After considering a number of projects, Mrs Crocker decided in favor of a home for the aged and indigent of both sexes, and accordingly in 1890 was completed in San Francisco one of the largest and best-equipped institutions of this kind, at a cost approximating a quarter of a million dollars.

To the Young Women's Christian association Mrs Crocker presented the lot on which their new edifice was erected in 1889, subscribing also a liberal sum toward the building fund. The California Women's hospital and the Children's hospital received a full share of her bounty, and several of the San Francisco kindergartens owe their existence to her kindly and generous contributions. During Christmas week of 1888 it is said that she distributed more than \$50,000 among various charities so unostentatiously that only those in her confidence knew the extent of her benefactions. This noble woman of exalted character and unselfish mind left many to remember her with gratitude and affection, when she followed her husband out of this life a little more than a year after his decease.

## CHAPTER III.

### RAILWAYS—MEASURES BEFORE CONGRESS.

OFFICIAL INTELLIGENCE AND PATRIOTISM—DISINTERESTEDNESS OF LEGISLATORS—POSITION OF CALIFORNIA—COMPARISON OF LATER WITH EARLIER VIEWS—A POWER IN POLITICS—OVERLAND ROUTES AND SECESSION—SPONSORIAL ARMY—A NECESSITY OF WAR—PASSAGE OF THE PACIFIC RAILROAD BILL.

IN his message to congress in December 1853, President Pierce, referring to the surveys in progress, warned that body not to be carried away by a consideration of the great importance of a Pacific railroad to the detriment of certain constitutional questions involved. He admitted that in constructing a railway through a territory the general government would not be embarrassed by the question of jurisdiction, as in a state; but he held both the power and propriety extremely doubtful, and was of opinion that any action by the general government should be incidental rather than primary. With this limitation he was in favor of a Pacific railroad, being however firm in his determination not to sanction any measure tending to the slightest infraction of the constitution.

The report of Davis, secretary of war, attached to the president's message expressed the hope that sufficient information would be forthcoming from the surveys to set at rest all questions as to the practicability of the construction of the railroad proposed to the Pacific. He pointed out that the developments of the instrumental surveys must override all preconceived opinion, prejudice, personal interest, and sectional jealousy, and predicted failure unless these

feelings were made secondary to patriotism; nevertheless he took good care to throw the balance in favor of the southern route by the numerous and elaborate surveys of the 32d parallel. He pointed out, in addition to the commercial and civil requirements, that a railroad was a necessity for military purposes, and for the transportation of troops and munitions of war to the depots of war along and at the extremity of the route; and suggested the advisability of employing camels and dromedaries for military movements and reconnoissances in the deserts beyond the scope of the road—an experiment actually made in 1857, by order of the secretary of war, who having in his own mind adopted the desert route provided this desert transportation.

A herd of about one hundred of these animals was imported, and the trial was made with twenty camels and three dromedaries taken to Camp Verde, Texas, and thence to San Antonio, where they were placed in charge of Edward F. Beale, who was entrusted with the laying out of the southern wagon road to San Diego. He found them very useful, and much more easy to load and manage while requiring no more forage than mules, and able to carry each a load of 600 or 700 pounds with nearly double the rapidity, and without suffering from thirst in the arid regions where for twenty-six hours no water was obtainable.

The primary object of this expedition was the location of a wagon road; but no exploration was without a view to a possible railroad. The starting point on the east was Fort Smith, whence there was steamboat communication by the Arkansas river with the Mississippi during the greater portion of the year. From Fort Smith to the Rio Grande, 800 miles, was a good road through a fertile country well provided with wood, water, and grass. This portion of the route was said to be much superior to the corresponding portions of the South pass and El Paso routes, and the adjacent country much better suited

to attract settlers than the valley of the Platte or the Llano Estacado.

But after leaving the Rio Grande, going west, by Beale's route, the whole distance to the Colorado, 560 miles, was difficult, travel being partly over rugged mountains, and more than half of it through a light sand which flying in clouds rendered extremely toilsome to men and animals. Beale's crossing of the Colorado at the Mojave villages was also condemned by the *Alta California* as difficult, and the remainder of the road to San Bernardino, the western terminus, as almost destitute of water and grass. Not so, however, Beale, whose narrative dwells upon the beauties and wonders of the country west of the Rio Grande, upon grand forests of pine, and grassy plains, with water enough, and a good crossing of the Colorado, the poorest portion of the whole route being west of that river. Although the line of his survey was north of Whipple's, it is difficult to reconcile so great discrepancies as existed in the general view given of the country near the 35th parallel in the two reports. The weight of immigration continued to follow the El Paso route, after encountering the hostilities of the Indians on Beale's for one season. A mail to Stockton was, however, established over this route, which ran to Los Angeles and thence to Stockton, over a road through the Tulare and San Joaquin valleys.

During 1857 there were a number of expeditions in the field which may be regarded as auxiliary to the Pacific railroad surveys, their reports being examined for hints upon this subject. In this year the astronomical and surveying parties for establishing the 49th parallel boundary between the United States and Great Britain began operations, Archibald Campbell being commissioner, and J. G. Parke, astronomer. They examined the country along that line.

A party under W. H. Nobles was organized in the interior department for making a road from Fort Ridgely in Minnesota to the South pass. It was

examined only as far west as the Missouri at Crow creek.

A party under G. K. Warren, organized by the war department, in two divisions, started one from Sioux city, and one from Omaha, uniting at the mouth of Loup fork of the Platte, proceeding thence north and by the valley of the Niobrara river to Fort Laramie. They explored the Black hills, and returning by the Niobrara, examined its mouth.

A wagon road expedition under F. W. Lander, organized under the interior department, made a reconnoissance of the mountains between Green river and Bear river. An expedition against the Cheyennes explored the country between the Platte and Arkansas rivers, under the command of E. V. Sumner.

The party under Albert Sidney Johnston, organized under the war department, to survey the southern boundary of Kansas, with J. H. Clarke as the astronomer, and Weiss surveyor, performed its work this year, and reconnoitred the country south of the line. A party was also organized by the interior department for establishing the portion of the 98th and 100th meridians between Canadian and Red rivers, performed its work this year. All these various expeditions whose observations were duly reported, and the reports published by any journals which could get hold of them, served to acquaint the country with the extent and physical features of the vast unoccupied territory between the organized states and the Pacific coast.

Years of discussion in congress had brought forth nothing so worthy as the Pacific railroad surveys. The undertaking was colossal, and was carried out with creditable skill, united to remarkable industry, achieving in three years the results of half a century of ordinary discovery.

The proposition to make these surveys having first come from the California legislature, in 1850, this state should enjoy the credit, as it subsequently has



the result, of the project. Gwin, who was California's senior senator at the time the appropriation was made, and who at first voted against it, prophesied in the senate that the effect of it would be to prevent any route being chosen, and after coming to that conclusion voted for it, with that consistent insincerity which characterized all his political acts. His judgment as to the effect of the reports of the several surveys was correct, for he was not lacking in foresight, but did what he could to verify his opinion.

As to what was actually done in congress for the seven years following 1853, it would be a recapitulation of arguments already outlined to attempt to reproduce the views of senators and representatives here. Both houses maintained a committee on Pacific railroad to which from time to time bills were referred, and reported back with various suggestions and amendments, the only purpose in noticing which would be to show the advancement in ideas relating to the subject of construction and congressional aid.

On the 5th of December 1854, on motion of Mr Seward, the senate resolved that the select committee on the Pacific railroad appointed the previous session should be continued during the existing one, vacancies to be filled by appointment of the president of the senate. On the same date representative Grey, of Kentucky, obtained leave of the house to bring in a bill providing for a grant of public lands to aid in constructing a double track railroad from the vicinity of El Paso to the Pacific.

On January 24, 1855, Senator Rusk of Texas presented a memorial from William Archer praying the construction of a railroad and telegraph from the Atlantic ocean to San Francisco, and for the enactment of a law for the protection of gold in California, which was referred to the select committee on the Pacific railroad. On the 26th the house committee on military affairs made an adverse report upon the

memorial of John P. Rutter and other citizens of Missouri, asking an appropriation for extinguishing the Indian title, as a means of promoting the construction of a road from the Missouri to the Columbia or Puget sound. The report declared the route would be too circuitous, and the land unattractive to settlers.

On February 20th a memorial was received by congress from the legislature of Iowa, praying for the construction of a railroad from the states bordering on the Mississippi, via the Platte valley and South pass to the Pacific ocean, on the ground that the route indicated was the most feasible one, being a natural highway to the Pacific, and the great emigrant road to Oregon, Washington, and California, which was referred to the house committee on postoffice and post roads.

It was not until the 3d of March 1855, that the printed reports of the Pacific railroad surveys were laid before congress by the secretary of war, although the matter contained therein was pretty well understood.

Meantime a substitute for a senate bill which had been introduced ten months previously was reported from the special senate committee by its chairman, Gwin of California. The original bill provided that in order to secure the construction of a first-class railroad through the territories of the United States from some point on the western boundary of one of the Atlantic states west of the Mississippi, to the eastern boundary of California, there should be granted to any individual, or company, or corporation, chartered for the purpose by any state, who might contract with the United States for the work, every alternate section of land designated by odd numbers, within twenty miles of each side of the route; and it appropriated a sum not exceeding six hundred dollars per mile for carrying the mail daily on the road for a period of not longer than thirty years; the road to

be commenced within three years from the date of the contract, and completed within seven years, one-seventh part to be completed each year; the lowest bidder for the mail contract, who complied with the other stipulations, to receive the railroad contract.

The substitute offered by Gwin appropriated a quantity of the public land equal to the alternate sections for the space of twelve miles on each side of the roads; and proposed one road and telegraph to commence on the western border of Texas, and pursue the most eligible route to the Pacific; one road and telegraph to commence on the western border of Missouri, or Iowa, and take the most favorable route to San Francisco bay; and one road to commence on the western border of Wisconsin, in the territory of Minnesota, and pursue the route offering the greatest facilities, to the waters of Oregon or Washington—to be known as the Southern Pacific, Central Pacific, and Northern Pacific railroads. The time allotted was ten years, and the sum to be appropriated per mile for carrying the mails was three hundred dollars. When the contract should be taken, the land on each side of the road for forty miles should be surveyed by government. Whenever the roads should be surrendered to the United States, according to the provisions of the act, as much of any road as lay within a state should become the property of the state, subject to the use of the United States for postal, military, and other government service, and subject also to such regulations as congress might prescribe restricting the charge for transportation thereon. The same rights were to be acquired by states thereafter organized out of the public lands. The contractors were required to sell one-half their land grant within five years after receiving their patent for any part thereof, and all lands held for the benefit of the contractors after the expiration of ten years should be forfeited to the United States. Such were the main features of Gwin's bill, which need not be further quoted here.

After frequent efforts by Gwin to get some action thereon, and some little discussion of the provisions of the bill, the senate passed it, January 19th, by a vote of twenty-four to twenty-one, when it was sent to the house, where it lingered, going through all the phases known to parliamentary law, and was condensed into one main trunk with three branches, northern, middle, and southern. But it was not passed, nor could it have been expected. Most members made some pretence because their constituents required them to show some interest in a Pacific railroad. It was evident that the three-pronged arrangement was not regarded as entirely practicable; it was too cumbersome, and lacked strength; three entire roads were out of the question.

F. W. Lander, writing from Washington, said he could hold out no hope that the main line would go to Puget sound, but thought a branch might be built on the route surveyed by him from the South pass. The main line, he represented, must go to California, and it would require skillful management to obtain even a branch to the Columbia; but the branch, if built, would so develop the country as to make a trunk line necessary. He eulogized Lane, the Oregon delegate, and was accused of intimating that he himself would be a more efficient representative of Washington than the person then in that position—Columbia Lancaster, who was a tallow candle among electric lights, and was withdrawn shortly afterward for a better, but no means as good a man as Lander for the place. Lander also eulogized McDougall of California for his advocacy of the Pacific railroad, but had no praise for his colleague.

Gwin, however, who knew—no one better—when to make a move which he desired should fail, had his future in view in forcing the senate to a vote on the bill for three roads, and telegraph lines, before the feasibility of one had been officially reported. The absurdity of the bill would be set down to zeal. Of

this matter he says in his written *Memoirs* that the senate passed his bill "more in compliment to Mr Gwin than in the expectation that it would become a law, as it was known the house would not have time to consider it. Gwin had just failed in his reelection to the senate, and it was considered a tribute to his zeal, energy, and perseverance in behalf of this great measure, that it should receive the endorsement of the senate, for it always had had a majority, but up to this time had failed to pass that body, owing to difference of opinion in regard to details. The form in which it did pass the senate was not favorable to the construction of the road, on account of the constitutional objection of some of the friends of the measure to the expenditure of public money within the borders of a state for the construction of a railroad."

The house committee on public lands, in 1856 made a favorable report, and admitted that the prominent parties of the day approved of government aid to the construction of this work by grants of public land. It however considered the extreme northern route impracticable, and advocated one to commence at Fort Kearny or some point west, on the Platte river, and to follow the Platte valley westward to Bridger's pass, thence by Bear, Weber, and Timpanogos rivers to Utah lake—Beckwith's route. From this point it should follow to the western base of the Wasatch mountains, and cross the great basin in a southwest direction to Walker's pass, by which it would enter the interior valleys of California, and run north to San Francisco. Railroads which were already built, or building, would connect the eastern terminus with the lakes and the Atlantic seaboard. This route, the report said, was more feasible from the quantities of coal existing between Bridger's pass and Bear river, a distance of 250 miles, a good supply of fuel being necessary, and wood being insufficient on all the practicable routes.



On the 16th of the same month the select committee on the Pacific railroad submitted a majority report to the house on the bill "for the establishment of railroad and telegraphic communication between the Atlantic states and the Pacific ocean, and for other purposes." This report simply stated the importance of opening up the western territory to settlement and cultivation, and of such a road as proposed to military purposes and in defence of the Pacific coast. It laid down the fact of the constitutionality of government aiding such a road by grants of public land, and recommended the passage of the bill, which placed the eastern terminus at Fort Kearny. In order to connect with the east, generally, authority was given to the following corporations to extend their roads to this point of junction: Hannibal and St Joseph railroad company, and Pacific railroad company, of the state of Missouri; Burlington and Missouri River railroad company, Philadelphia, Fort Wayne and Platte Valley railroad company, Mississippi and Missouri railroad company, Iowa Central Air-Line railroad company, Dubuque and Pacific railroad company, and the North Iowa railroad company, of the state of Iowa; and from the junction line was to extend westward to the Pacific ocean, with a branch in California to Marysville, Sacramento, Stockton, and San José. To aid in the construction of the roads and telegraph lines accompanying them, these were granted the right of way for 100 feet along the entire route, and beginning at the western terminus alternate sections on each side of the road for the width of six miles; and in cases where the land was occupied or title could not be granted, the deficiency should be made up from the nearest vacant lands between the 38th and 44th parallels, in alternate sections; and for the space of 200 miles west of the junction at or near Fort Kearny, alternate sections were granted on each side of the road to the width of thirty miles; thence west to the western base of



the Sierra Nevada, alternate sections on each side of the road to the width of forty miles. Provisions were made for the security of the government, which was to have the prior use of the road for transportation purposes, and of the telegraph for public business.

Similar grants and facilities were offered to such railroad companies as would undertake the construction of a road from San Francisco and San Diego via El Paso to Shreveport in Louisiana; and inducements were held out to the states of Louisiana, Arkansas, and Missouri, to construct railroad and telegraph lines from New Orleans, via Opelousas to Shreveport, and from Vicksburg to Shreveport, and thence to the western boundary of Louisiana; and from Iron mountain in Missouri, via Little Rock, to Shreveport, and the railroads running west from Cairo, Memphis, and Gaines landing.

Similar grants were offered to the Northern lakes and Pacific railroad company to construct a road and telegraph line from the western boundary of Wisconsin to Puget sound, with a branch from a point west of the Rocky mountains to the Columbia river near the Willamette. Mineral lands were in all these cases exempted from location; and no Indian reservation should be crossed except by the consent of the Indians, and the secretary of the interior.

A minority report of the committee favored the route surveyed by Beckwith, from Council Bluffs via Bridger pass, and across the great basin to the Madelin and Noble passes, and thence into the Sacramento valley, terminating at Benicia on San Francisco bay. It recommended further surveys before final location, by a mixed commission, one-half of whom should be government engineers, and the other half to be made up of the most eminent men available who had a practical knowledge of railroads and public works. Commissioners should also be appointed to take charge of the work. Propositions should be invited for the construction of 200 miles at each end of the road,

simultaneously, and further contracts issued as soon as compatible with prudence.

To meet the necessary expenditure it was proposed to appropriate \$100,000,000, and if necessary, United States bonds having thirty years to run and bearing interest at five per cent should be issued in such amounts annually as the exigencies of the undertaking might demand. For the redemption of these bonds the unappropriated public lands should be set apart, and a sinking fund created to be made up of the avails of the lands as fast as they were disposed of. In accordance with these views the author, J. M. Wood, drew up and submitted a bill.

A second lengthy minority report refused to believe in the possibility of building any Pacific railroad which it would pay to operate, or which could be run more than six months of the year. The author, Mr Kidwell, had derived his opinions from the surveys of Frémont and the topography of the Coochetopa and Walker passes. He also contended that government aid in the construction of a road, except for military purposes alone, was absolutely unconstitutional.

From a comparison of these later with the earlier views on the expediency and practicability of a Pacific railroad, in congress, some advancement may be discovered. But the difficulty of overcoming sectional jealousy in favor of any one route remained, to balance the other difficulty of constructing three out of the money in the national treasury, in opposition to a strong sentiment in certain quarters, against the constitutionality of making this use of the public funds in either case.

It has not been mentioned, as it might have been, that at every session of congress joint resolutions and memorials from the different states of the Atlantic region, as well as from the divisions of the Pacific slope were presented. Iowa in 1855 prayed for the

construction of a railroad to the Pacific via the Platte valley and South pass. Ohio in 1856 called upon its representatives in congress to use their best endeavors to procure the passage of a law providing for the construction of a Pacific railroad, and the application of government aid to the purpose. The Michigan legislature in 1858 instructed its delegates in congress to urge the passage of a law granting public lands to aid in constructing a railroad on the northern route; and also of a law granting public lands to the state of Michigan for the purpose of constructing a road connecting the northern Pacific railroad with the eastern states, on the line of the Grand Trunk and Great Western railways. The Iowa legislature again memorialized congress in favor of a railroad through Nebraska to the South pass, with a branch through the Black hills to the Yellowstone valley, and thence northwest to some practicable pass through the mountains to Washington; and Washington territory, by its legislature, called upon congress to take action in the matter.

In the United States senate, Mr Seward, on the 21st of December 1858, advocated the speedy construction of a Pacific railroad, and in a northern latitude, west of the great lakes. He would propose to build it by the employment of government capital and credit, and would surrender the public lands in the vicinity of the road to actual settlers for cultivation, so as to derive the speediest possible revenue from it. The president should contract for the construction of the road, which should begin at some point between Big Sioux and Kansas rivers, and run to San Francisco by the most eligible route as regarded practicability, directness, and economy. The western terminus, he declared, must be at San Francisco, because that was the centre of commerce and civilization on the Pacific coast; a railroad to any other point being obviously incomplete, as it would still have to be continued to San Francisco.

Concerning the cost, it had been shown by actual survey that on either of the five routes surveyed the road could be built for a cost ranging from \$95,000,000 to \$125,000,000, and that from ten to fifteen years would be sufficient time in which to complete it. It had been objected that \$100,000,000 would be spent, and then the road would be useless—at least not self-sustaining—and that it would cost the treasury \$10,000,000 per annum.

To which he replied that this was not essentially a commercial road, like one sustained by commerce alone. It was entirely a political road, having three great purposes; first, the conveyance of the mails; secondly, the transportation of troops and military and naval stores to the interior and the coast; and thirdly, the introduction and establishment of society in the less accessible parts of the country. Postal routes were frequently maintained at a cost far exceeding the revenue derived from them, and military roads were a necessity since the treaty of Guadalupe Hidalgo. He believed the scheme of a Pacific railroad was a perfectly constitutional one, and urged its speedy construction as a necessary recognition of the loyalty of the Pacific states.

“The loyalty of the Pacific states” was with Seward a “political purpose” deeper than all the others, but cautiously intimated in the phrase “necessary recognition.” He wanted a northern railroad built for exactly the opposite reason to that which caused Gwin to manœuvre against it.

Meanwhile the agitation went on. Governor Stevens, then delegate from Washington territory, in December 1858 delivered an address in New York, before the American geographical society, in the course of which he defended the northern route from the aspersions of its critics, describing it, giving an idea of the mildness of the climate west of the Rocky mountains, the productiveness of the soil, the abundance of timber and water, and many other matters

of much interest at that time. He showed that the navigability of the Missouri and the Columbia reduced the distance between steamboat transportation from the east and west to 450 miles, and enabled work on the road to commence at four different points, which would enable the construction to proceed with double if not with fourfold rapidity. He referred to the then recent gold discoveries in Washington and British Columbia. He dilated upon the fact that the sailing distance between the waters of Puget sound and Asiatic ports was less than from other parts of the Pacific coast; and warned the capitalists of the east that they might be missing their opportunity which Canadian capitalists would seize upon only too eagerly.

In March 1859, W. F. Lander set forth in a Puget sound journal a plan for a "temporary" railroad from the mouth of the Platte to Salt Lake City, which he proposed to build should he be allowed to import rails free of duty, and be granted one section of land for each ten miles of road, in which case he would construct the road for \$5,000 per mile, the distance being 1,100 miles; or he would pay the duty and complete the work for \$10,000 per mile and the same amount of lands. He cited the fact that the government paid one firm of contractors \$3,800,000 in one year for army transportation over this route, showing that in three years the government alone would have business enough to indemnify the builders. This was special pleading, since it was not probable that a Mormon war would be carried on every year requiring such large contracts.

At a meeting held in Faneuil hall, Boston, about this time, Josiah Perham explained a Pacific railroad project which was to raise \$100,000,000 in shares of \$100 each, and \$10 paid down. He thought 20,000 shares would be taken in Massachusetts alone; but nothing ever came of his plan, which resembled some broached ten years before.



On September 21st of this year San Francisco held a railroad convention, to which came delegates from all parts of the coast. To this it will be necessary to refer again, therefore it is passed over here.

Naval-commander M. F. Maury this year took sufficient interest in the subject to express in print a conviction that two roads were necessary—a northern and a southern—from a military point of view, to protect our northern territory, just then disturbed by the San Juan island controversy—and of course the southern border and seacoast. He ridiculed the idea of building 2,000 miles of road, from the Mississippi to San Francisco, when the distance between the Minnesota line and Puget sound was but 870 miles, and concluded with some remarks on the nature and direction of air currents and effect on navigation. On the outward voyage to China, San Francisco was on the direct track of vessels from Puget sound, which sailed south to twenty degrees north latitude, while a vessel bound to San Francisco from China would take a course to the straits of Fuca. “Thus the track of a sailing ship on a round trip between the Pacific states and China, is elliptical, and indicates two distinct railroad routes, a northern and southern, to save time, distance, risk, and expense; and those facts would of themselves call for at least these two routes, whether government aided in their construction or not.”

In 1860 the Pacific railroad question was still before congress, and apparently as far from a conclusion as it always had been. On the 13th of April the select committee of sixteen members of the house of representatives, S. R. Curtis of Iowa, chairman, submitted their report. They had examined the narratives of the government explorations, and carefully weighed their comparative merits, the examination resulting in the choice of the central route, connecting Council Bluffs with Benicia.

Their reason for rejecting the extreme southern route, and extreme northern route, was that they were



unsafe from foreign molestation, like the Panamá railroad, too far from the centre of commerce and population on the Pacific coast, and requiring several hundred miles of steamship lines to connect with them. All lines should terminate at San Francisco bay, or on a navigable river tributary to it, keeping the road altogether in the interior, and safe in the event of war.

The public mind, said the committee, had been misled through false presentations of the termini of a Pacific railroad. The railway system was already complete to and beyond the Mississippi. There was, in fact, a railroad all the way to St Joseph on the Missouri; more than that it had crossed the river and was advancing rapidly toward Fort Kearny. A railroad to the Pacific should start either from the extreme limits of the existing system, or from navigable waters. These premises being laid down, they compared the length of the practicable routes as laid down on the map of the government surveys, all terminating at San Francisco, thus:

| 1. NORTHERN ROUTE:                                             |       | Miles. |
|----------------------------------------------------------------|-------|--------|
| St. Paul to Vancouver, Columbia river, as shown on map.....    | 1,800 |        |
| Vancouver to Fort Reading, on Sacramento river, by survey..... | 500   |        |
| Total length of northern line.....                             | 2,300 |        |
| 2. CENTRAL, OR PLATTE VALLEY ROUTE:                            |       |        |
| Council Bluffs to San Francisco, by map.....                   | 1,987 |        |
| Add 50 miles to equal the starting point from St Joseph.....   | 50    |        |
| Total distance.....                                            | 2,037 |        |
| Deduct the navigable waters of the Sacramento.....             | 265   |        |
| And there remained.....                                        | 1,772 |        |
| 3. LINE ON THE 35TH PARALLEL:                                  |       |        |
| Memphis to San Francisco, via Fort Smith.....                  | 2,366 |        |
| Deducting 32 miles completed west of Memphis.....              |       |        |
| Proposed 96 miles of cut-off.....                              |       |        |
| And 97 miles navigable waters of San Joaquin.....              | 225   |        |
| Total.....                                                     | 2,141 |        |
| 4. LINE ON THE 32D PARALLEL:                                   |       |        |
| Gaines to Fulton.....                                          | 150   |        |
| Fulton to San Francisco, tangent on map.....                   | 2,024 |        |
| Total.....                                                     | 2,174 |        |
| Deduct 27 miles completed west of Mississippi.....             |       |        |
| And 97 miles navigable waters of San Joaquin.....              | 124   |        |
| Total length of southern line.....                             | 2,050 |        |

The report went on to show that the practicability of the central route was established by the surveys of Frémont, Stansbury, Beckwith, Lander, Bryan, and Warren, while its greater accessibility, with the more frequent settlements along its line, notably those of Utah—Colorado had also begun to be settled—gave promise of more facilities for construction and supplies than any other line surveyed.

As to the aid which should be granted to the road, whose estimated cost was \$120,000,000, it was proposed by the committee to advance half this amount in government thirty-years' bonds, bearing five per cent interest, in payment of transportation and telegraph service to be performed as the work progressed and after being finished, and to be advanced only on the completion of sections of fifty miles, beginning at each end with what should be considered enough to assist the private capital, and increasing the amount as the work approached the centre where the expense would be greatest. For greater security the advances were to be a first mortgage lien on the road and equipment.

The annual government service required in 1860 was \$6,500,000, of which five millions were for army and navy transportation, and the remainder for postal service, all of which could be better performed by railroad than by the means then in use. The committee as above stated proposed that an advance of \$60,000,000 be made, which might be increased by accruing interest to \$70,000,000, when the annual interest would amount to \$3,500,000. The annual services would exceed this amount by \$3,000,000 which surplus might remain in the hands of the government as a sinking fund which would extinguish the bonds in less than twenty-four years, or six years before they were due.

The committee seemed to have forgotten that railroads would reduce the cost of service, and that until they knew the amount of that reduction it would be

idle to make estimates of the rate of diminishing the railroad debt.

Two minority reports were submitted, one by Cyrus Aldrich of Minnesota in favor of the northern route, which suggested nothing new and made no estimate of expenses, but was ordered printed; and another in favor of a contract with the southern Pacific railroad company for the transportation of mails, et cetera, over the line they were constructing from a point near the western border of Louisiana and Arkansas, via El Paso and Fort Yuma, to the Pacific at San Francisco; quoting in support of the feasibility of the route A. B. Gray, Merrill, Emory, Parke, Humphreys, and Campbell. The author, A. J. Hamilton of Texas, believed that the commerce of Mexico and development of Nevada could be relied upon to make the road remunerative, in addition to transcontinental and Asiatic trade, and proposed that government aid should be afforded towards this road in a manner similar to that contemplated in the majority report.

In fact it was now the accepted belief that the road would be built by the aid, not of a land grant only, but the issue of government bonds to a considerable amount. The opposition of the democratic party to this measure was lessened by placing the government in the attitude of a creditor of the road so far as its bonds were concerned, and the government was justified in becoming creditor by the necessities of the public service, which required a transcontinental railroad.

The bill reported by the committee of sixteen after three months' study of the subject, was one which provided for two railroads, a "northern one" starting from some point on the western boundary of the state of Missouri, or Iowa, between the 37th and 43d parallels, on the nearest and most eligible route to the city of San Francisco; and also two branch roads, one diverging from the main trunk at a point east of

the Rocky mountains between the 103d and 105th meridians, and running through the territories of the United States in the direction of Memphis, which should be known as the southern branch ; and another running from the same point to the western shore of Lake Superior, to be known as the northern branch. The other trunk line started from the Mississippi, connecting with the cities about its mouth, and ran through Texas to San Francisco. Here were four eastern termini, three of which commenced on the borders of the southern states, and one branch on the western border of a free state. But the committee had determined to have a railroad, and had given its best thought to the question of how to do it.

There was very little discussion, and on the 20th of December the bill passed the house by a vote of ninety-four to seventy-four, and was sent to the senate.

When it came there Gwin, who had been severely criticised by the press for his action concerning postal route and Pacific mail matters, lost no time in securing an early day for its consideration, and it came up on the 5th of January 1861, Seward making a speech in which he expressed his preference for a route connecting Minnesota with the northern parts of the Pacific, and held that it would be more wise to construct one road than two or more. He would not vote to amend by substituting the line he preferred lest it should endanger the final passage of the bill. He voted for two railroads, he said, because he was satisfied that one could not be passed. He knew by experience how hard it was to get a vote in favor of a Pacific railroad in either house, and now that the house of representatives had passed a bill, for two, he would not endanger it by amendments which that branch of congress might not agree to, and would even vote for a third if the condition of the treasury and the country should justify it. "I want it to be known ; I want it to be seen and read of all men, here and elsewhere, that at the very day and hour when

it was apprehended by patriotic and wise men throughout the land, that this union was falling into ruin, the congress of the United States passed upon the statute books for eternal record an act appropriating \$96,000,000, the largest appropriation ever made, to bind the northeast and the southwest, and the southeast and the southwest, and north and south, and east and west, by a physical, material bond of indissoluble union. . . . This is a great measure of conciliation, of pacification, of compromise, and of union."

But there were other senators not so diplomatic as Mr Seward, who found the bill as it came from the house very imperfect. They found that while the road between the Missouri and San Francisco was granted but one section per mile, the southern route would have in Texas whatever that state chose to give; from El Paso to California ten sections per mile of the public lands; and from the Colorado to its western terminus on the Pacific six sections per mile.

Lane, of Oregon, referring to Seward's remarks, and the bill, said: "It has been offered here as a peace measure, and urged as necessary to give peace to the country. Now sir, if peace prevailed in the country, if good-will existed between the sections, the passage of such a measure as this would greatly disturb it, unless I be mistaken, and it would be very near a cause of breaking up the union." Rice, of Minnesota, made a motion to indefinitely postpone the bill, which was voted down by a large majority. He then pointed out several crudities and omissions that ought to render it unfit for adoption.

Baker, Lane's colleague, urged the passage of the bill, with all its imperfections, "lest indeed we lose all." Latham of California also urged its passage, for the same reason. Wilkison of Minnesota protested against the bill, which left out his section, and devoted the nation's money to southern roads. Said he, "I should like to understand how it is that senators, on this side of the chamber at least, can



vote \$36,000,000 for a southern route, going through the entire length of the state of Texas, now in the act of secession, now about to go out of this union, . . . while they stand up here and oppose a northern route. . . . As for myself, I will never sustain a wrong like this for the sake of rewarding the state of Texas, or the state of Arkansas, or any other state, or to keep them in the union. If they cannot be loyal to the constitution and laws of the land without voting this great wrong, I, for one, will not keep them in at all ; let them go." Thus the Pacific railroad at last threatened to become a power in politics.

The proposition in the senate was to aid the central or, as the house bill called it, the northern route, by a grant of land and \$60,000,000 ; the southern route by a land grant and \$36,000,000 ; but Wilson of Massachusetts demurred, and contended that as the central road would go to San Francisco there was no necessity for making that the terminus of the southern road, which should be left to make its terminus where its contractors should elect, and should be aided only to the amount of \$25,000,000, while the northern route, with a branch to the Columbia, should get the same, making an amount of \$110,000,000 to be appropriated, which Wilson remarked was "a pretty large sum of money for us to vote at this time."

The California senators disagreed, Gwin proposing to strike out all except the central route, and Latham insisting upon two roads as first intended, but a small majority of the senate voted against the proposition to substitute one road.

In the course of debate, senators in discussing the financial question, uttered certain opinions which have since been quoted as more or less binding on the country, as follows : Senator Wilson said : "If the interest on these bonds, from the time the road commences, forever, can be paid by the services the road renders the country, it is as much, certainly, as I can expect. I vote for the road with that expectation



and that understanding. If these three roads could be completed within the next three or four years I should feel that they had added to the country hundreds of millions of dollars, and added to its security and its safety ; and that \$116,000,000 or \$120,000,000 for objects so great, and so much for the interests of the country would be the merest trifle in the world to this nation."

Senator Gwin believed the road would be a paying one, but, "If it never paid a dollar, but would take the sum of \$100,000,000 to build it, I would vote for it, because it ought to be built ;" to which Bragg, of North Carolina, responded : "I have no doubt of that. The senator would vote ten times that amount, or ten times that, in order to carry through the bill." "The senator is very much mistaken. I would not vote ten times that, if it would not be for the benefit of the country," Gwin replied ; to which again Bragg rejoined : "There is not the least doubt of it. The senator has very enlarged views on that subject, especially when anything concerns California. We all know that, here, from experience."

Having had his fling at California's senator, Bragg further remarked : "I agree with the senator from Massachusetts, I do not believe that the interest of this investment will ever be paid by the service to be rendered ; but it does not necessarily follow, as the senator says, that these roads are to be sold out under the mortgage that the United States is to take ; that these mortgages are to be foreclosed, and the roads put up in market, and sold to the highest bidder, if they do not pay. . . . If they are works of great public interest, and great public benefit, I am very sure the government would never foreclose them, provided the parties having control do their duty to the government and to the public. But I wish to hold a rein upon them, and not to give up any advantage of that kind to which the government is justly entitled."

Senator Mason of Virginia moved to strike out all appropriations by the federal government to either of the roads, "that it may remain upon record to show that, on the part of Virginia, I put it there as a memorial and a protest against the state being made responsible for any portion of this new debt thus made. There is a possibility—perhaps a probability—that the time may occur, may be nearly at hand, when it may be necessary for the several states to ascertain and take upon themselves a portion of the public debt. This is a public debt now to be incurred, and I move to strike it out, in order that at a future day the state that I represent, if the occasion should occur, may not be charged with any portion of that debt." And so the south, generally.

However, the bill was so far perfected in the main features as to contain most of the provisions which are now familiar to the world in the Pacific railroad bill.

In selecting the names of incorporators, considerable interest was taken to secure responsible men, and the debates were instructive on that point. Another object was to take men from both the great parties, in order to deprive the act of a partisan character. The names mentioned in the original bill as it came from the house, were Samuel P. Strickland, of Maine; Joseph Grinnell, of Massachusetts; George G. Fogg, of New Hampshire; Erastus Fairbanks, of Vermont; Orray Toft, of Rhode Island; D. F. Robinson, of Connecticut; Simeon Draper, of New York; W. W. Murphy, of Michigan; Nathan Corinth, of Illinois; Samuel Marshall, and J. H. Tweedy, of Wisconsin; Samuel R. Curtis, of Iowa; Alexander Ramsay, and Edmund Rice, of Minnesota; William W. Miller, of Washington Territory; and David Logan, of Oregon, mostly northern men, and some others.

The senate added the names of Edward Learned, James M. Cook, Erastus Corning, James T. Souter, F. P. James, Samuel F. Butterworth, and S. L. M.

Barlow, of New York ; Watts Sherman, and Thomas A. Scott, of Pennsylvania ; and Daniel P. Rhodes of Ohio ; to which Gwin added Virgil Hickox and C. L. Higbee of Illinois, but not a man from California. In the discussion it came out that the representatives had consulted Douglas about adding the names of William B. Ogden of Illinois, a republican, and wished him to suggest a democrat, when he mentioned John Moore, a retired politician, of that party ; but when the bill came to the senate it was found that Ogden's name was stricken out, and the names of three active politicians — John Wentworth, N. B. Judd, and Charles G. Hammond in the place of it—three active republicans against one retired democrat, to which Douglas strongly objected. After a good deal of discussion, it was suggested by Senator Wilson that it was not necessary to strike out any names already offered by senators, but to balance them by the addition of others, which suggestion being accepted Ogden's name was restored, with Henry Farnham, who was offered by Trumbull, Douglas' colleague. It was then remarked by Wilson that politics had nothing to do with the matter of a Pacific railroad, when Trumbull again reproved Douglas by saying that party politics had nothing to do with the bill until Douglas asked to have men put in as party men, which imputation Douglas denied.

Wilson offered the names of John M. Forbes, "one of the largest owners of railroads in the country ; interested in the Michigan, the St Joseph, and other roads ; a man of great ability, business character, wealth, and position in every respect." Also, Chester W. Chapin, "president of the Western railroad in Massachusetts, a democrat of democrats. I care nothing about his politics." Also, Gennery Twitchell, "president of the Worcester road, a man of great vigor and great energy ;" and E. Haskett Derby, "who has written more in regard to this Pacific railroad, and railroads in this country, and who under-

stands the whole railroad interest of this country perhaps better than any man in it, or as well as any, unless it be Mr Poor, of New York." Also Samuel Hooper, "an eminent merchant of Boston, a man largely engaged in railroads."

John Moore, said Trumbull, "used to be lieutenant-governor of the state. He is a good man. I have no objection to his going into this railroad company; but you will find he has been at all your party meetings for the last twenty years." After a further squabble over the Illinois corporators to be, Douglas said, "I will not vote to put in a man that my colleague says is an improper one. I will take Mr Ogden, or Mr Hammond, or Mr Farnham. They are republicans, but they are railroad men as well, or I will take men on the other side. I consider this effort to keep the preponderance in that state as a deliberate attempt to turn the Pacific railroad into a partisan scheme."

After long argument a vote was taken on the motion to strike out the names of Wentworth and Judd, which was negatived; but Douglas moved to withdraw Wentworth's name and substitute Hickox, which was carried.

Latham offered the name of Albert Pike of Arkansas, but Johnson of that state objected on the ground that, "Arkansas does not desire such a provision, and the man himself would object to it." Lane of Oregon then objected to the name of Benjamin F. Harding, of his state, and asked to have inserted J. H. Reed, "who is a practical man, has much experience, and will add very much, I think, to the success of the measure." Now Lane had already put three names in the bill, or consented to them, and Harding had been put in by Baker, who objected to his being stricken out. The reason Lane gave for asking it was that Harding was objectionable to him for reasons that he did not choose to say anything about in

that place. After some very prudent remarks by Baker, the amendment of Lane was rejected.

Fessenden, of Maine, offered the names of St John Smith, Joseph Eaton, Samuel T. Hersey, William Moulton, and Rufus Dwinel, which were agreed to. Simmons of Rhode Island offered the names of John Carter Brown, Alexander Duncan, William Sprague, and Earl P. Mason. His remarks were that "one is governor of the state; another was at the head of the democratic ticket for electors last time. They have got as much money as anybody I know in our state;" and his amendment was agreed to.

Chandler of Michigan offered the names of J. W. Brooks, of Michigan; Erastus Corning, of New York; Azariah Boody, of New York; S. M. Felton, of Pennsylvania; Edward L. Baker, of Massachusetts; John F. Winslow, of New York; J. S. Barbour, of Virginia; John A. Graham, of Maryland; and James F. Joy, of Michigan. This was objected to on the ground that too many of them were directors in the Michigan Central railroad. The names of James F. Joy and Eben B. Ward were accepted in their stead. Fitch, of Indiana, had the names of Dillard Ricketts, James Johnson, and William L. Brown accepted; and Polk, of Missouri, named William McPherson and Thomas P. Hudson. Foot, of Vermont, named H. Henry Baxter, George W. Collamer, Martin V. Wilcoxson, Nathaniel Niles, and Henry Keyes. Wade, of Ohio, named A. Stone, jr, of his state, an able railroad man, of great experience in business, and of great wealth; and also Thomas Sherlock, "an excellent man, and acquainted with business." Sebastian, of Arkansas, named Arnold Harris, of the District of Columbia. Crittenden, of Kentucky, named Jacob Swigert, John S. Robinson, Benjamin J. Adams, John T. Bunch, William B. Wall, and John W. Finnell. Thomson, of New Jersey, named William Wright. Ten Eyck, of Delaware, named Dudley S. Gregory, as one of the corporators from New Jersey,



"a man of great respectability, intelligence, and wealth." Doolittle of Wisconsin named Alexander Mitchell, Charles D. Robinson, Benjamin E. Hutchinson, Marshall M. Strong, and John Hackett. Wilkinson of Minnesota named William H. Dike, Charles D. Gillfillen, and Clark W. Thompson. Cameron, of Pennsylvania, named J. K. Jackman, "a most excellent man" who "happens to be a democrat."

After Green, of Missouri, had suggested that the list should end with, "and the rest of mankind," Saulsbury, of Delaware, named Charles I. Dupont, William Sharp, and James Poyner. Clingman, of North Carolina, then named William H. Thomas, all of these persons being agreed to.

The bill, with some further amendments, then passed the senate, on the 30th of January. The senators voting for it were Simmons and Anthony, of Rhode Island; Baker and Lane of Oregon; Bingham and Chandler of Michigan; Bright and Fitch of Indiana; Cameron of Pennsylvania; Collamer and Foot of Vermont; Clark and Hale of New Hampshire; Crittenden of Kentucky; Dixon and Foster of Connecticut; Doolittle and Durkee of Wisconsin; Douglas and Trumbull of Illinois; Grimes and Harlan of Iowa; Gwin and Latham of California; Hemphill and Wigfall, of Texas; Johnson and Sebastian, of Arkansas; Kennedy of Maryland; Morrill, of Maine; Polk, of Missouri; Rice and Wilkinson, of Minnesota; Seward, of New York; Sumner and Wilson, of Massachusetts; and Wade, of Ohio; 37.

Those voting against it were Bayard and Saulsbury, of Delaware; Bigler, of Pennsylvania; Bragg and Clingman, of North Carolina; Fessenden, of Maine; Green, of Missouri; Hunter and Mason, of Virginia; Johnson and Nicholson, of Tennessee; King, of New York; Powell, of Kentucky; and Thomson of New Jersey; 14. The amended bill was then returned to the house.

The amendments show blundering. The eastern



terminus of the central road was fixed at the mouth of Kansas river, whence it was to run to Fort Riley, an insignificant post, ignoring Fort Leavenworth, and carrying it far out of a direct route to Fort Kearny. "In this," said McClernand of Illinois, "the public interest was subordinated to local views, and the dictation of a single city—St Louis." It was asserted by other representatives that a long line of cities, from Philadelphia to the Missouri river, through the whole belt of central states were ignored. The house had voted for two roads and two branches rather than lose the measure altogether, but it would not vote for three. It was acknowledged that the bill was faulty as it was sent to the senate; but it had come back with some more dangerous incongruities. The condition of the country, with six states seceding, and the credit of the government impaired, forbade the great appropriations called for, and it was claimed that no company would ever be organized under the bill as it then stood. Curtis, of Iowa, urged its passage, but Craig, of Missouri, met him with, "I know very well how the gentleman from Iowa feels about the pending amendment of the senate. I know that he is opposed to it; but the fear that he will lose his last two years' work—and I admit that he has worked faithfully—induces him to agree to bad amendments of the senate with a hope of getting them lopped off by the next congress. I tell the gentleman that he is trying a dangerous experiment." An amendment desired by Craig was to leave out Fort Riley, and substitute a branch from some point on the line not more than fifty miles west of the Missouri river to the city of St Joseph.

"Is this the time," asked Floyd of Virginia, "when the rapid consolidation of the government is already precipitating the disruption of the confederacy, to augment federal power by fastening on the government an excrescence greater in magnitude and influence than ever the East India company was in

the palmiest day of its power? Chimerical, I say, is the idea of traversing, by a triple railway, boundless deserts, where nothing is heard but the howl of the wild beast, and the yell of the more intractable savage—a chimerical measure, in comparison with which the Colossus of Rhodes or the pyramid of Cleops sink into insignificance. . . . When your treasury is bankrupt; when you have not money in your exchequer with which to discharge the petty debts due the menials in your employ; when your credit is exhausted, and the federal government proposes to travel over the length and breadth of the union a mendicant for the endorsement of the states to sustain it; is this, I say the time to inaugurate an enterprise involving so much expense, and the consummation of which I believe to be impracticable? With these suggestions, and wishing to bring the matter to a close, I move to lay all the amendments on the table.” This sombre and contemptuous view of the United States power and finances was not accepted, and the bill was not laid on the table, at that time.

The house proceeded with the debate on routes for some time, but by and bye Sickles of New York took up Pryor’s remarks, and after saying that the railroad would be built, by American capital and American enterprise, Sickles added: “Nor will there be a very large draft upon constitutional scruples in executing it.” He reminded Mr Pryor that the cabinets of President Pierce and of President Buchanan had been unanimous in the opinion that it was a constitutional measure; that all the great parties, represented in national conventions, had for years endorsed it, and declared it feasible, and the president elect of the southern confederacy had advocated it as constitutional and practicable.

“Does the gentleman state that Honorable Jefferson Davis favors the construction of a Pacific railroad?” asked Pryor. After giving the desired information on this point, Sickles replied to the Vir-

ginia senator's rhetoric. "The gentleman from Virginia compares this work to the Colossus of Rhodes and the pyramids of Egypt. Why sir, neither he nor I know how many thousand years since human hands erected those monuments; and it is a poor compliment to the progress of civilization to say that the Pacific railroad cannot be built by human hands in this generation, when three thousand years ago the pyramids were constructed by the intellects and the resources of that epoch."

Here Mr Pryor interrupted: "The gentleman impeaches my intelligence. Let me assure him we have the testimony of authentic historians for the fact that the Egyptian pyramid was constructed by a courtesan of celebrity out of the wages of prostitution." Sickles replied, "I shall not engage in a discussion with the gentleman from Virginia as to the resources of ancient Egypt. I presume there are no reports now accessible as to its finances; and in what he now says, I think he is merely repeating here one of the fictions of Herodotus, and undertaking to give it the dignity of a fact by an assertion on this floor." Then the debate ran off into politics, the Virginia members threatening, and some one laughingly interrupting, "Does the Pacific railroad run through Virginia?" with only a temporary effect.

The bill came up for the last time on the 14th of February, but was "fillibustered" out of the way by Burnett, of Kentucky, who was a consistent enemy of the measure, and the remaining four days of the session were taken up with other business.

A San Francisco morning journal remarked in January 1861, that "If South Carolina and her co-adjutors leave the union, the worst enemies of the Pacific railroad will be beyond reach to do it harm." Gwin says in his *Memoirs* that the bill "could easily have passed through the house but for the determination of the republican members of that body to postpone action on that great question until after Mr

Lincoln was installed as president," in order that the republican party might enjoy the distinction of the measure. There is nothing on the journals of congress to justify the remark, but admitting its truth, considering the hostility to it displayed by democratic members, it was only just to credit it to republicans.

But why the hostility? In 1849, and for several years, the democratic southern states were eager for a Pacific railroad, provided it should start from a point no further north than Memphis. After the free-soil struggle, in which the south was worsted, they saw that it would be useless to expect to control the measure. They saw that there would be two roads, if one. Any road north of Memphis would settle up the country with people from the north, and from Europe; therefore let there be none. Even one on their own line was not acceptable then, for the same reason. Anticipating secession, they would not invite northern immigration, or travel, by opening a railroad to California. They talked about unconstitutionality, and a ruined national credit to frighten the people from spending in railroads the money they hoped to find in the treasury when Washington should become theirs. They hoped to secure California as a part of their slave empire, but in order to do so railroads must be prevented. Could they prevent them, and the nation become involved in war, it would be a difficult thing for the government to defend the Pacific coast, with privateers threatening the Pacific Mail steamers, and the navy engaged with affairs on the Atlantic coast. All this lay as in volcanic slumber in the minds and hearts of the opponents of the Pacific railroad at this period. Nevertheless the great measure went forward almost to completion before the call to arms rang through the land. Even amidst the uproar that followed it was not forgotten. With a tremendous public debt accumulating it was not despaired of; but with greater unanimity than ever before, because war made the necessity apparent, and

removed the baffling opposition, the subject was revived, and the plan elaborated at the next session.

The senate special committee on a Pacific railroad consisted, during the first session of the 37th congress, of McDougall of California, Clark of New Hampshire, Pomeroy of Kansas, Polk of Missouri—who was expelled for disloyalty January 10, 1862—and Cowan, of Pennsylvania. The same committee served at the second session, commencing in December 1861.

The house bill at the first session had come from the committee on public lands; at the second session it was placed in the hands of a special committee, consisting at first of Representative Sargent, of California, and enlarged later by Shiel of Oregon, who unseated Thayer, and Campbell, of Pennsylvania, who was chairman. It is needless to say that the committee received help, and hindrance also, from persons not members, who had come to Washington to influence the shaping of the bill.

The house of representatives first received a report, and proceeded at once to take action upon it. The new bill was shorn of the southern road, which was in territory claimed by the rebel government. It dropped the northern road, for which there was now no need as a balance to the southern. It provided for one central line with branches. The difficulty which had always opposed itself to the location of a central line was the weight of influence of Missouri and Kansas as against Iowa and the northern line of commercial cities. This influence still operated in the attempt to drag the central line from the Platte to the Republican valley, and to have it run to Denver. Then, since congress recognized the principle that the government could not organize a corporation within a state, it was deemed necessary to commence the subsidized road in public territory, and, on account of expense, as far west of the Missouri as possible, leaving the railroad companies chartered by Missouri,



Kansas, and Iowa, to follow with branches converging to the eastern end of the trunk road, and a Nevada and California company at the western end. But it was found that these several roads, which were also to be aided as soon as they came upon the public lands, would cost two-thirds of the whole amount estimated to build the Pacific railroad, and it was desirable to shorten them, if it could be done. The plan of a single company to build the entire road, from the Missouri river, only authorizing one company in Iowa and one in Missouri to make connections, was discussed, but because California was a state, and because Nevada had chartered a railroad company to build across that territory, it was abandoned, and California, Nevada, Iowa, and Kansas were allowed to construct branches.

When a member doubted that the railroad would be self-sustaining, running, as it would, through long stretches of unsettled country, Cradlebaugh, delegate from Nevada, then an infant territory, vindicated the ability of his section to support a railroad by showing that the transportation of Nevada engaged more than two thousand teams in hauling goods from California, and more than six thousand tons of freight had been delivered in the last year, costing for carriage \$100, \$125, and in some months, \$300 per ton. As for the mines of Washoe, there was nothing in the world to compare with them, and mills were turning out fabulous sums daily; which remark provoked Lovejoy of Illinois to say that if all this were true as stated, the territory could of itself pay for the building of a road across it, which conclusion was not what Cradlebaugh was aiming at.

After going more carefully over the whole ground than ever before, the bill passed the house May 6, 1862, and was sent to the senate, which found no time for a month or more to consider it, being in the midst of important business relating to revenue, and the condition of the country. It had before it a bill from



its own special committee, and the house bill. The latter was the one finally adopted, not, however, without various amendments, which being made, the bill passed the senate June 20th, by a vote of thirty-five to five. This achievement, which had been nearly a quarter of a century in reaching finality, and which was the first of its proportions on the globe, is an important fact in history, and worthy of a place in its pages, where it illustrates the conclusions arrived at after the long study which was devoted to its methods by the best minds of the country. For these reasons it is here quoted entire.

An act to aid in the construction of a railroad and telegraph line from the Missouri river to the Pacific ocean, and to secure to the government the use of the same for postal, military, and other purposes.

Be it enacted by the senate and house of representatives of the United States of America in congress assembled, that Walter S. Burgess, William P. Blodget, Benjamin H. Cheever, Charles Fosdick Fletcher, of Rhode Island; Augustus Brewster, Henry P. Haven, Cornelius S. Bushnell, Henry Hammond, of Connecticut; Isaac Sherman, Dean Richmond, Royal Phelps, William H. Ferry, Henry A. Paddock, Lewis J. Stanciliff, Charles A. Secor, Samuel R. Campbell, Alfred E. Tilton, John Anderson, Azariah Boody, John S. Kennedy, H. Carver, Joseph Field, Benjamin F. Camp, Orville W. Childs, Alexander J. Bergess, Ben. Holladay, D. N. Barney, S. De Witt Bloodgood, William H. Grant, Thomas W. Olcott, Samuel B. Ruggles, James B. Wilson, of New York; Ephraim Marsh, Charles M. Harker, of New Jersey; John Edgar Thompson, Benjamin Haywood, Joseph H. Scranton, Joseph Harrison, George W. Cass, John H. Bryant, Daniel J. Morell, Thomas M. Howe, William F. Johnson, Robert Finney, John A. Green, E. R. Myre, Charles F. Wells, jr, of Pennsylvania; Noah L. Wilson, Amasa Stone, William H. Clement, S. S. L'Hommedien, John Brough, William Dennison, Jacob Blickinsderfer, of Ohio; William M. McPherson, R. W. Wells, Willard P. Hall, Armstrong Beatty, John Corby, of Missouri; S. J. Hensley, Peter Donahue, C. P. Huntington, T. D. Judah, James Bailey, James T. Ryan, Charles Hosmer, Charles Marsh, D. O. Mills, Samuel Bell, Louis McLane, George W. Mowe, Charles McLaughlin, Timothy Dame, John R. Robinson, of California; John Atchison and John D. Winters of the territory of Nevada; John D. Campbell, R. N. Rice, Charles A. Trowbridge, Ransom Gardner, Charles W. Penny, Charles T. Gorham, William McConnell, of Michigan; William F. Coolbaugh, Lucius H. Langworthy, Hugh T. Reid, Hoyt Sherman, Lyman Cook, Samuel R. Curtis, Lewis A. Thomas, Platt Smith, of Iowa; William B. Ogden, Charles G. Hammond, Henry Farnum, Amos C. Babcock, W. Seldon Gale, Nehemiah Bushnell, and Lorenzo Bull, of Illinois; William H. Swift, Samuel T. Dana, John Bertram, Franklin S. Stevens, Edward R. Tinker, of Massachusetts; Franklin Gorin, Laban J. Bradford, and John T. Lewis, of Kentucky; James Dunning, John M. Wood, Edwin Noyes, Joseph Eaton, of Maine; Henry H. Baxter, George W. Collamer, Henry Keyes, Thomas H. Canfield, of Vermont; William S. Ladd, A. M. Berry, Benjamin F. Harding, of Oregon; William Bunn, jr, John Catlin, Levi Sterling, John Thompson, Elihu L. Phillips, Walter D. McIndor, T. B. Stoddard, E. H. Brodhead, A. H. Virgin, of Wisconsin; Charles Paine, Thomas A. Morris, David C. Branham, Samuel Hanna, Jonas Votaw, Jesse L. Williams, Isaac C. Elston, of Indiana; Thomas Swan, Chauncey Brooks, Edward Wilkins, of Maryland; Francis R. E. Cornell, David

Blakeley, A. D. Seward, Henry A. Swift, Dwight Woodbury, John McKusick, John R. Jones, of Minnesota; Joseph A. Gilmore, Charles W. Woodman, of New Hampshire; W. H. Grimes, J. C. Stone, Chester Thomas, John Kerr, Werter R. Davis, Luther C. Challiss, Josiah Miller, of Kansas; Gilbert C. Monell, Augustus Kountz, T. M. Marquette, William H. Taylor, Alvin Saunders, of Nebraska; John Evans, of Colorado; together with five commissioners to be appointed by the secretary of the interior, and all persons who shall or may be associated with them, and their successors, are hereby created and erected into a body corporate and politic in deed and in law, by the name, style, and title of The Union Pacific Railroad Company, and by that name shall have perpetual succession, and shall be able to sue and to be sued, plead and be impleaded, defend and be defended, in all courts of law and equity within the United States, and may make and have a common seal; and the said corporation is hereby authorized and empowered to lay out, locate, construct, furnish, maintain, and enjoy a continuous railroad and telegraph, with the appurtenances, from a point on the one hundredth meridian of longitude west from Greenwich, between the south margin of the valley of the Republican river, and the north margin of the valley of the Platte river in the territory of Nebraska, to the western boundary of Nevada territory, upon the route and terms hereinafter provided; and is hereby vested with all the powers, privileges, and immunities necessary to carry into effect the purposes of this act as herein set forth. The capital stock of said company shall consist of one hundred thousand shares of one thousand dollars each, which shall be subscribed for and held in not more than two hundred shares by any one person, and shall be transferrable in such manner as the by-laws of said corporation shall provide. The persons hereinbefore named, together with those to be appointed by the secretary of the interior, are hereby constituted and appointed commissioners, and such body shall be called the Board of Commissioners of the Union Pacific Railroad and Telegraph Company, and twenty-five shall constitute a quorum for the transaction of business. The first meeting of said board shall be held at Chicago, at such time as the commissioners from Illinois herein named shall appoint, not more than three, nor less than one month after the passage of this act, notice of which shall be given by them to the other commissioners by depositing a call thereof in the postoffice at Chicago, post paid, to their address, at least forty days before said meeting, and also by publishing said notice in one daily newspaper in each of the cities of Chicago and St. Louis. Said board shall organize by the choice from its number of a president, secretary, and treasurer, and they shall require from said treasurer such bonds as may be deemed proper, and may from time to time increase the amount thereof as they may deem proper. It shall be the duty of said board of commissioners to open books, or cause books to be opened, at such times, and in such principal cities in the United States as they, or a quorum of them shall determine, to receive subscriptions to the capital stock of said corporation, and a cash payment of ten per centum on all subscriptions, and to receipt therefor. So soon as two thousand shares shall be in good faith subscribed for, and ten dollars per share actually paid into the treasury of the company, the said president and secretary of said board of commissioners shall appoint a time and place for the first meeting of the subscribers to the stock of said company, and shall give notice thereof in at least one newspaper in each state in which subscription books have been opened at least thirty days previous to the day of meeting, and such subscribers as shall attend the meeting so called, either in person or by proxy, shall then and there elect by ballot not less than thirteen directors for said corporation; and in such election each share of said capital shall entitle the owner thereof to one vote. The president and secretary of the board of commissioners shall act as inspectors of said election, and shall certify under their hands the names of the directors elected at said meeting; and the said commissioners, treasurer, and secretary shall then deliver over to said directors all the properties, subscription books, and other books in their possession, and thereupon the duties of said com-

missioners and the officers previously appointed by them shall cease and determine forever, and thereafter the stockholders shall constitute said body politic and corporate. At the time of the first and each triennial election of directors by the stockholders two additional directors shall be appointed by the president of the United States, who shall act with the body of directors, and to be denominated directors on the part of the government; any vacancy happening in the government directors at any time may be filled by the president of the United States. The directors to be appointed by the president shall not be stockholders in the Union Pacific railroad company. The directors so chosen shall, as soon as may be after their election, elect from their own number a president and vice-president, and shall also elect a treasurer and secretary. No person shall be a director in said company unless he shall be a bona fide owner of at least five shares of stock in said company, except the two directors to be appointed by the president as aforesaid. Said company, at any regular meeting of the stockholders called for that purpose, shall have power to make by-laws, rules, and regulations as they shall deem needful and proper, touching the disposition of the stock, property, estate, and effects of the company not inconsistent herewith, the transfer of shares, the term of office, duties, and conduct of their officers and servants, and all matters whatsoever which may appertain to the concerns of said company; and the board of directors shall have power to appoint such engineers, agents, and subordinates as may from time to time be necessary to carry into effect the object of this act, and to do all acts and things touching the location and construction of said road and telegraph. Said directors may require payment of subscriptions to the capital stock, after due notice, at such times and in such proportions as they shall deem necessary to complete the railroad and telegraph within the time in this act prescribed. Said president, vice-president, and directors shall hold their office for three years, and until their successors are duly elected and qualified, or for such less time as the by-laws of the corporation may prescribe; and a majority of said directors shall constitute a quorum for the transaction of business. The secretary and treasurer shall give such bonds, with such security, as the said board shall from time to time require, and shall hold their offices at the will and pleasure of the directors. Annual meetings of the stockholders of the said corporation for the choice of officers—when they are to be chosen—and for the transaction of annual business, shall be holden at such time and place and upon such notice as may be prescribed in the by-laws.

SEC. 2. And be it further enacted, that the right of way through the public lands be, and the same is hereby, granted to said company for the construction of said railroad and telegraph line; and the right, power, and authority is hereby given to said company to take from the public lands adjacent to the line of said road, earth, stone, timber, and other materials for the construction thereof; said right of way is granted to said railroad to the extent of two hundred feet in width on each side of said railroad where it may pass over the public lands, including all necessary ground for stations, buildings, workshops, and depots, machine-shops, switches, side-tracks, turntables, and water stations. The United States shall extinguish as rapidly as may be the Indian titles to all lands falling under the operation of this act and required for the said right of way and grants hereinafter made.

SEC. 3. And be it further enacted, that there be, and is hereby, granted to said company, for the purpose of aiding in the construction of said railroad and telegraph line, and to secure the safe and speedy transportation of the mails, troops, and munitions of war, and public stores thereon, every alternate section of the public land, designated by odd numbers, to the amount of five alternate sections per mile on each side of said railroad, on the line thereof, and within the limits of ten miles on each side of said road, not sold, reserved, or otherwise disposed of by the United States, and to which a pre-emption or homestead claim may not have attached, at the time the line of the road is definitely fixed: provided, that all mineral lands shall be excepted from the operation of this act; but where the same shall contain

timber, the timber thereon is hereby granted to said company. And all such lands, so granted by this section, which shall not be sold or disposed of by said company within three years after the entire road shall have been completed, shall be subject to settlement and preëmption, like other lands, at a price not exceeding one dollar and twenty-five cents per acre to be paid to said company.

SEC. 4. And be it further enacted, that whenever said company shall have completed forty consecutive miles of any portion of said railroad and telegraph line, ready for the service contemplated by this act, and supplied with all necessary drains, culverts, viaducts, crossings, sidings, bridges, turnouts, watering places, depots, equipments, furniture, and all other appurtenances of a first-class railroad, the rails and all the other iron used in the construction and equipment of said road to be American manufacture of the best quality, the president of the United States shall appoint three commissioners to examine the same and report to him in relation thereto; and if it shall appear to him that forty consecutive miles of said railroad and telegraph line have been completed and equipped in all respects as required by this act, then upon certificate of said commissioners to that effect, patents shall issue conveying the right and title to said lands to said company, on each side of the road as far as the same is completed, to the amount aforesaid, and patents shall in like manner issue as each forty miles of said railroad and telegraph line are completed, upon certificate of said commissioners. Any vacancies occurring in said board of commissioners, by death, resignation, or otherwise, shall be filled by the president of the United States: provided, however, that no such commissioners shall be appointed by the president of the United States unless there shall be presented to him a statement, verified on oath by the president of said company, that such forty miles have been completed, in the manner required by this act, and setting forth with certainty the points where such forty miles begin and where the same end; which oath shall be taken before a judge of a court of record.

SEC. 5. And be it further enacted, that for the purposes herein mentioned the secretary of the treasury shall, upon the certificate in writing of said commissioners of the completion and equipment of forty consecutive miles of said railroad and telegraph, in accordance with the provisions of this act, issue to said company bonds of the United States of one thousand dollars each, payable in thirty years after date, bearing six per centum per annum interest (said interest payable semi-annually), which interest may be paid in United States treasury notes, or any other money or currency which the United States shall declare lawful money and a legal tender, to the amount of sixteen of said bonds per mile for such section of forty miles; and to secure the repayment to the United States, as hereinafter provided, of the amount of said bonds so issued and delivered to said company, together with all interest thereon which shall have been paid by the United States, the issue of said bonds and delivery to the company shall ipso facto constitute a first mortgage on the whole line of the railroad and telegraph, together with the rolling stock fixtures, and property of every kind and description, and in consideration of which said bonds may be issued, and on the refusal or failure of said company to redeem said bonds, or any part of them, when required to do so by the secretary of the treasury, in accordance with the provisions of this act, the said road, with all the rights, functions, immunities, and appurtenances thereunto belonging, and also all lands granted to the said company by the United States, which at the time of said default, shall remain in the ownership of said company; may be taken possession of by the secretary of the treasury, for the use and benefit of the United States; provided, this section shall not apply to that part of any road now constructed.

SEC. 6. And be it further enacted, that the grants aforesaid are made upon condition that said company shall pay bonds at maturity, and shall keep said railroad and telegraph line in repair and use, and shall at all times transmit dispatches over said telegraph line, and transport mails, troops,



and munitions of war, supplies and public stores upon said railroad for the government, whenever required to do so by any department thereof, and that the government shall at all times have the preference in the use of the same for all the purposes aforesaid—at fair and reasonable rates of compensation, not to exceed the amounts paid by private parties for the same kind of service—and all compensations rendered for services of the government shall be applied to the payment of said bonds and interest until the whole amount is fully paid. Said company may also pay the United States, wholly or in part, in the same or other bonds. Treasury notes, or other evidences of debt against the United States, to be allowed at par; and after said road is completed, until said bonds and interest are paid, at least five per centum of the net earnings of said road shall also be annually applied to the payment thereof.

SEC. 7. And be it further enacted, that said company shall file their assent to this act, under the seal of said company, in the department of the interior, within one year after the passage of this act, and shall complete said railroad and telegraph from the point of beginning as herein provided, to the western boundary of Nevada territory, before the first day of July one thousand eight hundred and seventy-four: provided, that within two years after the passage of this act said company shall designate the general route of said road, as near as may be, and shall file a map of the same in the department of the interior, whereupon the secretary of the interior shall cause the lands within fifteen miles of said designated route or routes to be withdrawn from preëmption, private entry, and sale; and when any portion of said route shall be finally located, the secretary of the interior shall cause the said lands to be surveyed and set off as fast as may be necessary for the purposes herein named: provided, that in fixing the point of connection of the main trunk with the eastern connections, it shall be fixed at the most practicable point for the construction of the Iowa and Missouri branches, as hereinafter provided.

SEC. 8. And be it further enacted, that the line of said railroad and telegraph shall commence at a point at the one hundredth meridian of longitude west from Greenwich, between the south margin of the valley of Republican river, and the north margin of the valley of Platte river, in the territory of Nebraska, at a point to be fixed by the president of the United States after actual surveys; thence running westerly upon the most direct, central, and practicable route, through the territories of the United States, to the western boundary of the territory of Nevada, there to meet and connect with the line of the Central Pacific railroad of California.

SEC. 9. And be it further enacted, that the Leavenworth, Pawnee, and Western railroad company of Kansas are hereby authorized to construct a railroad and telegraph line from the Missouri river at the mouth of the Kansas river, on the south side thereof, so as to connect with the Pacific railroad of Missouri, to the aforesaid point on the one hundredth meridian of longitude west from Greenwich, as herein provided, upon the same terms and conditions in all respects as are provided in this act for the construction of the railroad and telegraph line first mentioned, and to meet and connect with the same at the meridian of longitude aforesaid; and in case the general route or line of road from the Missouri river to the Rocky mountains should be so located as to require a departure northwardly from the proposed line of said Kansas railroad before it reaches the meridian of longitude aforesaid, the location of the said Kansas road shall be made so as to conform thereto; and said railroad through Kansas shall be so located between the mouth of the Kansas river as aforesaid, and the aforesaid point on the one hundredth meridian of longitude, that the several railroads from Missouri and Iowa herein authorized to connect with the same can make connection within the limits prescribed in this act, provided the same can be done without deviating from the general direction of the whole line to the Pacific coast. The route in Kansas west of the meridian of Fort Riley, to the aforesaid point on the one hundredth meridian of longitude, to be subject to the approval of

the president of the United States, and to be determined by him on actual survey. And said Kansas company may proceed to build said railroad to the aforesaid point on the one hundredth meridian of longitude west from Greenwich, in the territory of Nebraska. The Central Pacific railroad company of California, a corporation existing under the laws of the state of California, are hereby authorized to construct a railroad and telegraph line from the Pacific coast, at or near San Francisco, on the navigable waters of the Sacramento river, to the eastern boundary of California, upon the same terms and conditions in all respects, as are contained in this act for the construction of said railroad and telegraph line first mentioned, and to meet and connect with the first-mentioned railroad and telegraph lines on the eastern boundary of California. Each of said companies shall file their acceptance of the conditions of this act in the department of the interior within six months after the passage of this act.

SEC. 10. And be it further enacted, that the said company chartered by the state of Kansas shall complete one hundred miles of said road, commencing at the mouth of the Kansas river, as aforesaid, within two years after filing their assent to the conditions of this act, as herein provided, and one hundred miles per year thereafter until the whole is completed; and the Central Pacific railroad company of California shall complete fifty miles of their said road within two years after filing their assent to the provisions of this act, as herein provided, and fifty miles per year thereafter until the whole is completed; and after completing their roads, respectively, said companies, or either of them, may unite upon equal terms with the first named company in constructing so much of said railroad and telegraph line and branch railroads and telegraph lines in this act hereinafter mentioned, through the territories from the state of California to the Missouri river, as shall then remain to be constructed, on the same term and conditions as provided in this act in relation to the said Union Pacific railroad company. And the Hannibal and St Joseph railroad, the Pacific railroad company of Missouri, and the first named company, or either of them, on filing their assent to this act, as aforesaid, may unite upon equal terms, under this act, with the said Kansas company, in constructing said railroad and telegraph to said meridian of longitude, with the consent of the state of Kansas; and in case said first named company shall complete their line to the eastern boundary of California before it is completed across said state by the Central Pacific railroad company of California, said first named company is hereby authorized to continue in constructing the same through California, with the consent of said state, upon the terms mentioned in this act until said roads shall meet and connect, and the whole line of said railroad and telegraph is completed; and the Central Pacific railroad of California, after completing its road across said state, is authorized to continue the construction of said railroad and telegraph through the territories of the United States to the Missouri river, including the branch roads specified in this act, upon the routes hereinbefore and hereinafter indicated, on the terms and conditions provided in this act in relation to the said Union Pacific railroad company, until said roads shall meet and connect, and the whole line of said railroad and branches and telegraph is completed.

SEC. 11. And be it further enacted, that for three hundred miles of said road most mountainous and difficult of construction, to wit: one hundred and fifty miles westwardly from the eastern base of the Rocky mountains, and one hundred and fifty miles eastwardly from the western base of the Sierra Nevada mountains, said points to be fixed by the president of the United States, the bonds to be issued to aid in the construction thereof shall be treble the number per mile hereinbefore provided, and the same shall be issued, and the lands herein granted set apart, upon the construction of every twenty miles thereof, upon the certificate of the commissioners as aforesaid that twenty consecutive miles of the same are completed; and between the sections last named of one hundred and fifty miles each, the bonds to be issued to aid in the construction thereof shall be double the number per mile



first mentioned, and the same shall be issued, and the lands herein granted be set apart, upon the construction of every twenty miles thereof, upon the certificate of the commissioners aforesaid that twenty consecutive miles of same are completed: provided, that no more than fifty thousand of said bonds shall be issued under this act to aid in constructing the main line of said railroad and telegraph.

SEC. 12. And be it further enacted, that whenever the route of said railroad shall cross the boundary of any state or territory, or said meridian of longitude, the two companies meeting or uniting there shall agree upon its location at that point, with reference to the most direct and practicable through route, and in case of difference between them as to said location the president of the United States shall determine the location; the companies named in each state and territory to locate the road across the same between the points so agreed upon, except as herein provided. The track upon the entire line and branches shall be of uniform width, to be determined by the president of the United States, so that when completed, cars can be run from the Missouri river to the Pacific coast; the grades and curves shall not exceed the maximum grades and curves of the Baltimore and Ohio railroad; the whole line of said railroad and branches and telegraph shall be operated and used for all purposes of communication, travel, and transportation, so far as the public and government are concerned, as one connected, continuous line; and the companies herein named in Missouri, Kansas, and California, filing their assent to the provisions of this act, shall receive and transport all iron rails, spikes, ties, timber, and all materials required for constructing and furnishing said first mentioned line between the aforesaid point on the one hundredth meridian of longitude and western boundary of Nevada territory, whenever the same is required by said first named company, at cost, over that portion of the roads of said companies constructed under the provisions of this act.

SEC. 13. And be it further enacted, that the Hannibal and St Joseph railroad company of Missouri may extend its roads from St Joseph via Atchison, to connect and unite with the road through Kansas, upon filing its assent to the provisions of this act, upon the same terms and conditions, in all respects, for one hundred miles in length next to the Missouri river, as are provided in this act for the construction of the railroad and telegraph line first mentioned, and may for this purpose use any railroad charter which has been or may be granted by the legislature of Kansas; provided, that if actual survey shall render it desirable, the said company may construct their road, with the consent of the Kansas Legislature, the most direct and practicable route west from St Joseph, Missouri, so as to connect and unite with the road leading from the western boundary of Iowa at any point east of the one hundredth meridian of west longitude, or with the main trunk road at said point; but in no event shall land or bonds be given to said company, as herein directed, to aid in the construction of their said road for a greater distance than one hundred miles. And the Leavenworth, Pawnee and Western railroad company of Kansas may construct their road from Leavenworth to unite with the road through Kansas.

SEC. 14. And be it further enacted, that the said Union Pacific railroad company is hereby authorized and required to construct a single line of railroad and telegraph from a point on the western boundary of the state of Iowa, to be fixed by the president of the United States, upon the most direct and practicable route, to be subject to his approval, so as to form a connection with the lines of said company at some point on the one hundredth meridian of longitude aforesaid, from the point of commencement on the western boundary of the state of Iowa, upon the same terms and conditions, in all respects as are contained in this act for the construction of said railroad and telegraph first mentioned; and the said Union Pacific railroad company shall complete one hundred miles of the road and telegraph in this section provided for in two years after filing their assent to the conditions of this act, as by the terms of this act required, and at the rate of one hundred

miles per year thereafter, until the whole is completed: provided, that a failure upon the part of said company to make said connection in the time aforesaid, and to perform the obligations imposed on said company by this section and to operate said road in the same manner as the main line shall be operated, shall forfeit to the government of the United States all the rights, privileges, and franchises granted to and conferred upon said company by this act. And whenever there shall be a line of railroad completed through Minnesota or Iowa to Sioux City, then the said Pacific railroad company is hereby authorized and required to construct a railroad and telegraph from said Sioux City upon the most direct and practicable route to a point on, and so as to connect with, the branch railroad and telegraph in this section hereinbefore mentioned, or with the Union Pacific railroad, said point of junction to be fixed by the president of the United States not further west than the one hundredth meridian of longitude aforesaid, and on the same terms and conditions as provided in this act for the construction of the Union Pacific railroad as aforesaid, and to complete the same at the rate of one hundred miles per year; and should said company fail to comply with the requirements of this act in relation to the said Sioux City railroad and telegraph, the said company shall suffer the same forfeitures prescribed in relation to the Iowa branch railroad and telegraph hereinbefore mentioned.

SEC. 15. And be it further enacted, that any other railroad company now incorporated, or hereafter to be incorporated, shall have the right to connect their road with the road and branches provided for by this act, at such places, and upon such just and equitable terms as the president of the United States may prescribe. Whenever the word "company" is used in this act it shall be construed to embrace the words "their associates, successors, and assigns," the same as if the words had been properly added thereto.

SEC. 16. And be it further enacted, that at any time after the passage of this act all of the railroad companies named herein, and assenting hereto, or any two or more of them, are authorized to form themselves into one consolidated company; notice of such consolidation, in writing, shall be filed in the department of the interior, and such consolidated company shall thereafter proceed to construct said railroad, and branches, and telegraph line upon the terms and conditions provided in this act.

SEC. 17. And be it further enacted, that in case said company or companies shall fail to comply with the terms and conditions of this act, by not completing said road and telegraph and branches within a reasonable time, or by not keeping the same in repair and use, but shall permit the same, for an unreasonable time, to remain unfinished, or out of repair, and unfit for use, congress may pass any act to insure the speedy completion of said road and branches, or put the same in repair and use, and may direct the income of said railroad and telegraph line to be thereafter devoted to the use of the United States, to repay all such expenditures caused by the default and neglect of such company or companies: provided, that if said roads are not completed, so as to form a continuous line of railroad, ready for use, from the Missouri river to the navigable waters of the Sacramento river, in California, by the first day of July, eighteen hundred and seventy-six, the whole of all of said railroads before mentioned and to be constructed under the provisions of this act, together with all their furniture, fixtures, rolling stock, machine-shops, lands, tenements, and hereditaments, and property of every kind and character, shall be forfeited to and be taken possession of by the United States; provided, that of the bonds of the United States in this act provided to be delivered for any and all parts of the roads to be constructed east of the one hundredth meridian of west longitude from Greenwich, and for any part of the road west of the west foot of the Sierra Nevada mountains, there shall be reserved of each part and installment twenty-five per centum, to be and remain in the United States treasury, undelivered, until said road and all parts thereof provided for in this act are entirely completed; and of all the bonds provided to be delivered for the said road,

between the two points aforesaid, there shall be reserved out of each installment fifteen per centum, to be and remain in the treasury until the whole of the road provided for in this act is fully completed; and if the said road or any part thereof shall fail of completion at the time limited therefor in this act, then and in that case the said part of said bonds so reserved shall be forfeited to the United States.

SEC. 18. And be it further enacted, that whenever it appears that the net earnings of the entire road and telegraph, including the amount allowed for services for the United States, after deducting all expenditures, including repairs, and the furnishing, running, and managing of said road, shall exceed ten per centum upon its cost, exclusive of the five per centum to be paid to the United States, congress may reduce the rates of fare thereon, if unreasonable in amount, and may fix and establish the same by law. And the better to accomplish the object of this act, namely, to promote the public interest and welfare by the construction of said railroad and telegraph line, and keeping the same in working order, and to secure to the government at all times—but particularly in time of war—the use and benefits of the same for postal, military, and other purposes, congress may, at any time, having due regard for the rights of said companies named herein, add to, alter, amend, or repeal this act.

SEC. 19. And be it further enacted, that the several railroad companies herein named are authorized to enter into an arrangement with the Pacific telegraph company, the Overland telegraph company, and the California state telegraph company, so that the present line of telegraph between the Missouri river and San Francisco may be moved upon or along the line of said railroad and branches as fast as said roads and branches are built; and if said arrangements be entered into, and the transfer of said telegraph line be made in accordance therewith to the line of said railroad and branches, such transfer shall, for all purposes of this act, be held and considered a fulfillment on the part of said railroad companies of the provisions of this act in regard to the construction of said line of telegraph. And in case of disagreement, said telegraph companies are authorized to remove their line of telegraph along and upon the line of railroad herein contemplated without prejudice to the rights of said railroad companies named herein.

SEC. 20. And be it further enacted, that the corporation hereby created, and the roads connected therewith, under the provisions of this act, shall make to the secretary of the treasury an annual report wherein shall be set forth:—

First, the names of the stockholders and their places of residence, so far as the same can be ascertained; second, the names and residences of the directors, and all other officers of the company; third, the amount of stock subscribed, and the amount thereof actually paid in; fourth, a description of the lines of road surveyed, of the lines thereof fixed upon for the construction of the road, and the cost of such surveys; fifth, the amount received from passengers on the road; sixth, the amount received for freight thereon; seventh, a statement of the expense of said road and its fixtures; eighth, a statement of the indebtedness of said company, setting forth the various kinds thereof; which report shall be sworn to by the president of the said company, and shall be presented to the secretary of the treasury on or before the first day of July in each year.

Approved, July 1, 1862.

This act was the foundation on which was built the first of the great transcontinental roads. It was amended in 1864, as will be shown hereafter.

## CHAPTER IV.

### RAILWAYS—DEVELOPMENT IN CALIFORNIA.

CONDITION OF AFFAIRS—EARLY LEGISLATION—POPULAR FEELING—SURVEYS AND PROPOSALS—ORGANIZATION OF COMPANIES—LOCAL EFFORTS TENDING EASTWARD—ROUTES AND PASSES—MANIPULATIONS AND QUARRELS—ARBITRARY MEASURES—WARS, DEFEATS, AND FAILURES—RISE AND PROGRESS OF THE CENTRAL PACIFIC—CALIFORNIA STEAM NAVIGATION COMPANY—VARIOUS OTHER COMPANIES—OPENING OF THE WESTERN PACIFIC.

IN no part of the United States was the need of rapid transportation greater than in California. The distance from the States, as the Atlantic coast was affectionately termed; the cost and peril of a journey; the wide area of California itself—ten degrees of latitude, or as far as from Maine to South Carolina, a journey which not one in a thousand ever thinks of making—the fact that but two rivers of the state were navigable, and those only through the most central portion; the nomadic character of a mining population, demanding facilities for travel and the transportation of merchandise, with the expense attending these necessary movements—all suggested most vividly the relief which would be afforded by railroads.

On the other hand the coast itself was not prepared for such undertakings. It had not the requisite iron-works, no adequate machine-shops, no great furniture factories, or a hundred other helps to railroad construction; much of the capital in the country had been immediately absorbed in steamboats, stages, and the simpler forms of conveyance by wagon and saddle-train. There was a lack of permanency in population and business, and an intention on the part of a large

proportion of the people to return to their old homes when a competency had been acquired ; a haste, a rush, and an uncertainty about business of any sort, all of which was adverse to any great public improvements.

Thus what the people longed for they were not prepared to undertake ; and while entreating congress for communication with their old homes, neglected to ameliorate the conditions of their new residence. The first legislature, months before the state was admitted to the union, instructed its senators and representatives in congress to urge the importance of a Pacific railroad upon the attention of that body, and provided for the incorporation of railroad companies in a general incorporation act. This act was repealed by the next legislature, and an act specially providing for the incorporation of railroad companies was substituted. In 1852 the right of way was granted through the state of California to the eastern states, "for the purpose of constructing a railroad from the Atlantic to the Pacific oceans ;" and again the California delegation in congress was instructed to vote for an act of congress locating and providing for the construction of a railway, which was to be paid for out of government funds by a direct tax levied for that purpose, and for donating the land along the line of the road to actual settlers.

An amendment to the act of 1851 extended the provisions of this act to companies incorporated for the purpose of constructing roads on which to run "prairie cars," although the number of stockholders in the car road companies might not be less than eight, nor the directors less than three, instead of twenty-five and thirteen as in railroad companies. It does not appear that the car road ever came into use, and its nature is only a matter of speculation. Whether it was a steam wagon, or a tramway for horse-cars is uncertain ; but it was the first effort of ingenuity to relieve a pressing want. Again the legislature repealed the railroad incorporation act, and in 1853 substituted



another, to which reference will be made from time to time, as under it many corporations were formed. This act was amended in 1854, and the right of way was granted to all railroad companies already organized, or that might thereafter be organized under it, to locate their roads over and through any of the swamp or overflowed lands belonging to the state, or any other public lands then belonging to or that might thereafter become the property of the state, and to hold the same to the width of one hundred feet for the whole length of their roads, except where these lands fell within the limits of an incorporated city or town, and also land not to exceed one acre each at such convenient points on the state lands as were required for depot, or other building purposes, with the right to use such material needed for construction as should be found upon them. This legislature also resolved to appoint a committee of three from each house to collect information in regard to transcontinental routes.

The law of 1853 made it unlawful for railroad corporations to charge more than twenty cents per mile for passage, or more than sixty cents per mile for each ton of freight; but the amended law reduced these charges to ten cents a mile for passage, and fifteen cents per mile for each ton of freight. Amendments continued to be made to the law as companies were formed, and improvements suggested, or perhaps to favor some lobbying corporation, until in 1856, it was enacted that, if future corporations should not within two years after filing articles of association begin the construction of their roads and expend upon them five per cent of their capital, and in six years complete and put in operation their roads, the acts of incorporation should be void. The companies already existing, which had commenced construction and should have expended five per cent of their capital stock previous to April 1857, and completed their roads previous to April 1862, should not forfeit their charters.



In 1857 it was declared lawful for railroad corporations thereafter to be formed by any number of persons not less than ten, and for their affairs to be managed any number of directors not less than five nor more than thirteen, provided they in all other respects conformed to the incorporation act and its amendments. And in 1858, by a supplementary act, it was declared lawful for existing corporations to reincorporate and avail themselves of this last amendment, by filing new articles with the secretary of state subscribed by two-thirds in numbers of the stockholders, and the amount of stock issued, previous to adopting new articles, the secretary of the company to make affidavit of this fact; from all of which it will be gathered that notwithstanding the drawbacks enumerated above, railroad agitation was not permitted to slumber during the first decade of California's political existence under United States régime.

The first railway actually proposed was from Sacramento to Coloma, in 1850. Several companies were formed under the general incorporation acts of 1850, 1851, and 1852, but little came of it all except plans, surveys, and newspaper articles. Two of these earliest of California railroad enterprises were eventually carried to completion; the first, known as the Sacramento valley railroad, was projected at a meeting held in Sacramento June 26, 1852, when a company was organized with a capital of one million dollars, at fifty dollars a share. The directors were: J. C. Fall, W. T. Barbour, John Bigler, J. P. Overton, J. B. Haggin, William McNulty, W. S. O'Connor, Tod Robinson, W. B. Skellenger, and Charles J. Whiting. The plan was to run the road along the foothills east of the American river, branching north and south, and passing through Placer and Sutter counties to Mountain City, now Marysville, in Yuba county, a distance of forty miles. Ten per cent of the subscriptions was paid in, amounting to \$5,000, when the company reorganized under the railroad incorporation act of

1853. The directors at the time were C. J. Hutchinson, William McNulty, James L. L. F. Warren, J. B. Patch, Julius Wetzler, E. J. Willis, John Bigler, William H. Watson, J. C. Zabriskie, Lewis B. Harris, Thomas P. Rabb, and T. M. Freeman.

The president arranged with capitalists in Boston and New York to furnish the material for the construction of the road, and procured a competent engineer to locate it—Theodore D. Judah, the projector of the Central Pacific. The directors after the reorganization were C. L. Wilson, Henry E. Robinson, R. P. Johnson, John Forsher, C. J. Hutchinson, Ferris Forman, W. H. Watson, of Sacramento; C. K. Garrison, H. M. Gray, Levi Parsons, James A. McDougall, of San Francisco; A. P. Catlin, of Mormon Island; and Hamlet Davis, of Nevada. The treasurer was T. W. Page; secretary, W. H. Watson; engineer, W. B. Foster; committee of construction, Henry E. Robinson and Ferris Forman. Robinson, Seymour & Co. were the contractors, L. L. Robinson being the principal. They were to take \$800,000 in stock, \$500,000 in bonds, and \$500,000 in cash and notes as the work progressed. The contractors began grading in February 1855, and a vessel arriving from Boston in June with the iron, tracklaying was commenced in August. By November they were able to carry a party of excursionists ten miles out on the road, charging them a dollar for the round trip. The road was formally opened to Folsom, a distance of twenty-two miles, on the 22d of February 1856. And here the work stopped, for it had been found that the cost per mile had been little less than \$60,000, at which rate, with the company's capital stock, it could be carried no farther. Its earnings were applied to its indebtedness, and the company were forced to be satisfied with glory, for some time at all events.

The officers elected in the autumn of 1855 were C. K. Garrison, president; W. P. Sherman, vice-president; H. R. Payson, secretary; J. P. Robinson,

superintendent; H. Havens, cashier; E. Jones, Levi Parsons, H. E. Robinson, Theodore F. Mays, E. W. Burr, C. R. Goodwin, and Edward Flint, the other directors. The road paid well. It carried a large part of the 38,327 tons of freight which was brought to the wharves of Sacramento in the single month of October 1855. Twenty-one stages met it at the Folsom terminus. In 1864 it was earning half a million annually over expenses. In 1865 it was purchased for \$800,000 by the Central Pacific company, through their agent, George F. Bragg, from L. L. Robinson, F. L. A. Pioche, and J. B. Bayerque, who held the entire stock. So the pioneer railway in California did not repay its projectors, but fell into the hands of its constructors, who reaped a fair harvest from it; nor did it ever go beyond Folsom in the direction of Marysville.

However, in 1858 a company was formed in Marysville to extend the road, as originally intended, to that place, the officers and directors being J. C. Fall, president; William Hawley, vice-president; John A. Paxton, treasurer; Ira A. Eaton, secretary; T. D. Judah, chief engineer; John H. Kinkead, H. P. Catlin, and S. T. Watts. The contractors were C. L. Wilson & Co. This organization was known as the California Central Railroad company. A fine bridge was erected over the American river early in 1859, Wilson obtaining funds in the east. The road, however, was not completed beyond Lincoln by this company. Like the first, it became the property of the Central Pacific company, who purchased it at sheriff's sale, and took up the track between Folsom and Roseville, disconnecting it with that place, and turning the traffic over their line. In 1868 the bridge spanning the American river was condemned and sold.

Another effort was made by the bondholders of the California Central railroad to reach Marysville in order to make the bonds of the old road available.

They organized in 1862 the Yuba railroad company, which constructed the road to the "mountain city." The first officers of the Yuba company were Samuel Brannan, president; James P. Flint, vice-president; J. M. Shotwell, secretary and treasurer; Charles H. Dana and H. B. Williams, the other directors. The road when completed was generally known under the name of the California Central, although it took another name subsequently, as will be shown.

On the 29th of June 1860, the California Northern railroad company was incorporated, and permanently organized January 15, 1861, with a capital stock of \$1,000,000, in shares of \$100 each. Its officers were H. M. Darrach, president; J. W. Buffum, vice-president; D. D. Harris, secretary; S. Van Orden, treasurer; U. S. Watson, chief engineer; Charles De Ro, H. D. Smedes, H. B. Lathrop, and J. M. Clark, the other directors. The contractors were Richard Chenery and A. J. Burney & Co. The purpose of this company was to construct a railroad to Red Bluff, via Oroville. It was completed to Oroville in 1864, forming with the California Central a line of unbroken railway ninety miles in length, skirting the foothills, with their gardens and vineyards, their oak forests and granite quarries, and making a junction with the Central Pacific eighteen miles northeast of Sacramento. It subsequently became a portion of the California and Oregon railroad incorporated in 1863 with the object of constructing a railroad and telegraph to Portland, of which more hereafter.

Butte county appropriated \$200,000 toward the cost of the California Northern, and it was believed by many citizens of Yuba and Butte counties that a branch might be extended eastward across the Sierra via Beckwourth pass, at the head of the middle fork of Feather river, and become a part of the transcontinental railroad.

With this object in view a company was formed,

in 1866, of which John D. Goodwin was president, under the name of Oroville—some write it California—and Virginia railroad company, for the purpose of constructing a road between the city of gold and the metropolis of silver. Surveys were made by Civil-engineer J. H. Kidder, maps filed, a wagon road franchise purchased, and an obliging legislature enacted a command to the tax-payers of Plumas county, as follows: "The board of supervisors of Plumas county, California, are hereby directed to meet at the county seat of said county on the second Monday in April 1868, and then and there are authorized and directed to take and subscribe to the capital stock of the Oroville and Virginia City railroad company the sum of two hundred and thirty thousand dollars." This was to be paid in bonds bearing ten per cent interest—principle payable in twenty years—and eighty thousand dollars were to be paid at once. But two of the members of the board thus peremptorily ordered to lay this burden upon the people refused, and passed a resolution requesting the state attorney-general to proceed by quo warranto to dissolve the company.

At the same time another organization calling itself the Feather River and Beckwourth Pass railroad company disputed the route and franchise with the first named company, and brought suit against it with the purpose of destroying it, and securing to itself privileges of a similar nature to those wrested from its rival. A bill was introduced in congress by Senator Cole, in 1869, to aid in the construction of this Beckwourth pass road, and a land grant proposed of twenty alternate sections per mile on each side of the line, with a range of selection of ten miles beyond these alternate sections where they had been preempted, or should be mineral land; the even-numbered sections to be open for preëmption and purchase at two dollars and a half an acre. The company offered to carry mails, troops, and government prop-



erty for fifty years at such rates as the respective departments might determine. Congress did not make this grant, and the county of Plumas not coming to the aid of either company, the scheme, which was undoubtedly a good one, was perforce abandoned, and this extension of the original Sacramento Valley railroad was abandoned.

The citizens of Placerville began agitating the subject of extending the Sacramento valley road to their town in 1859. Placerville was in the centre of a rich auriferous country, whose placers, gravel beds, and quartz mines have never ceased to be worked. It was also on the main line of overland immigration, and enjoyed a profitable trade, for both these reasons.

On the 30th of January 1860 a meeting was held in the courthouse of the city to consider the question of how to raise means to build the link necessary to connect that place with the navigable waters of the Sacramento river. There was another object in constructing this road, which was to secure the crossing of the Sierra by the transcontinental road then under discussion in congress, by the head of the south fork of American river, a pass through which winter travel had been maintained for the passage of the mail for several seasons.

The meeting was addressed by James A. McDougall, W. Rabe of San Francisco, and others. B. F. Nickerson in the chair. Resolutions favorable to the project were passed, among others, "that while railroads are projected or constructed to Marysville, Auburn, etc., Placerville must have a road for self-preservation; that with a railroad the city will become the eastern depot of central California, and the western depot of the state now rapidly forming, comprising what is known as Nevada or Washoe territory." In its anxiety to compel support in such an enterprise, the meeting resolved that the El Dorado delegation in the legislature should be instructed to prevent the

passage of a pending bill to authorize the people to vote on the question of taking stock and issuing bonds to the amount of \$300,000, but if it came to a vote it should be unanimously agreed to by the tax-payers.

The common council of Placerville appointed about this date three railroad commissioners, namely Kirk, Lacy, and Arvidson, to make arrangements for a survey between Placerville and Folsom. The officers of the company were S. W. Sanderson, president; G. W. Swan, vice-president; J. M. Douglass, treasurer; Ogden Squires, secretary; F. A. Bishop, chief engineer.

The route was surveyed in March and April by W. J. Lewis, and his estimates of the cost for putting a road in operation to Folsom, twenty-nine and a half miles, was \$1,217,680.37. Bishop subsequently changed the location of the line, making it thirty-five and a third miles, the cost of it by his estimate being \$1,119,527.28. It was calculated that the most important section—from Folsom to Miller's corral, commanding the trade of Amador county as well as all the freight and passengers from Sacramento to Nevada territory—could be built for \$363,086.36: current expense of running it \$96,000 annually; net revenue \$228,187.50; and net profit \$132,187.50.

With this encouragement the president advertised for sealed proposals in May 1863. A meeting was held in February previous in upper Placerville, which was addressed by Charles W. Brewster and G. W. Swan, who discussed the proposition to incorporate the upper with the lower town, for the object of taxing the former for railroad purposes only. Thus hope told its flattering tale to the Placerville railroad company.

In November 1863 Bishop, chief engineer, announced that the grading was done from Folsom to the boundary line of El Dorado county, near Carson creek, eighteen and one-fourth miles, whereupon bonds were issued by the railroad commissioners for the first

installment of ten per cent upon the county's subscription of \$200,000 in January 1864, to the amount of \$12,000.

In January 1864, also, the directors elected Charles E. McLane, president; Ogden Squires, vice-president; J. M. Douglass, treasurer; N. A. Hamilton, secretary; F. A. Bishop, chief engineer. In February the members of the legislature were invited to go over the grade to the new town of Latrobe, at the junction of the Cosumnes wagon road, where a sumptuous collation awaited them, when they expressed surprise and pleasure at the progress made, and declared the enterprise deserving of state aid, which utterances were cheering if deceiving. The first regular train ran from Freeport to Latrobe September 19, 1864.

This Freeport was a new appellation for the old embarcadero a few miles below Sacramento city. In March 1863 a company with a capital of \$150,000 organized to construct a branch of the Sacramento valley road from Brighton to this lower landing, a distance of ten miles. The directors were George F. Bragg, J. B. Bayerque, George W. Mowe, J. P. Robinson, and J. Mora Moss. The object seems to have been to take the business away from Sacramento, with which there was a quarrel concerning the privileges of the old road. The track was afterward leased to the Sacramento valley company, over whose track the Placerville company was now running to the upper and lower landings.

On the 1st of October passenger trains commenced running regularly on the line to Latrobe, and on the 16th of June 1865 the road was opened to Shingle Springs, twenty-seven miles from Folsom, and eight miles short of its terminus at Placerville. A little more grading was done, and then the business of construction came to a standstill, through the embarrassments of the old Sacramento valley company, which was a partner in the new enterprise.

In March 1864 this company, in order to assist the

Placerville company, borrowed money from Wells, Fargo & Co., and issued to Louis McLane and Danforth N. Barney a trust mortgage providing for the issuance of 750 bonds, of \$1,000 each, payable in sixty years, at ten per cent interest per annum; but only 448 of which were issued, and used in the construction of the road from Folsom to Latrobe, the interest on which was paid. The legislature also in April passed an act authorizing the citizens of El Dorado county to vote on a proposition to subscribe an additional hundred thousand dollars, and to pay interest at ten per cent for not more than twenty years, it being optional with the supervisors to redeem the bonds at any time.

But the city of Sacramento was inimical to the Sacramento valley railroad for several reasons. In the first place, this interior city, at the head of navigation, had greatly prospered under the early transportation system, when half a hundred steamers and vessels of all sorts had laid down freight and passengers on its wharves, and when countless great wagons with unnumbered mules and horses had congregated there to take up this freight, while passengers and traders spent a good deal of money within its boundaries, and its stage companies grew rich.

The first quarrel with the company was concerning its entrance into the city, to compel it to stop where drayage and carriage hire were a necessity to transfer goods and passengers to the steamers, and in that the city was beaten; but in other ways heavy imposts were levied, even a tax for crossing the levee being charged on all freight destined to the interior, and a tax upon all passengers entering or passing out of the chartered limits of the city. In 1864 rioters, instigated by the city authorities, tore up the track of the railroad for a considerable distance, notwithstanding an injunction from the courts. It was greatly on account of these and similar provocations that the Freeport railroad was built, and this significant name

given to its terminus ; but as the Freeport road connected with the Sacramento valley road, this was an additional cause for hostility to that corporation. Further, about this time the Central Pacific, whose directors were residents of Sacramento, were constructing a railroad to Dutch Flat, and a wagon road to Carson valley, and the existence of the Sacramento valley road was a threat. If it reached Placerville, from which point the best roads in the state, with the easiest grades, ran to Carson valley, and by a shorter than the Dutch Flat route, there would be sharp competition.

The war had been carried on in the legislature, or at least in the lobby. The Central Pacific was asking for state aid, and the Placerville and Folsom company were opposing by a counter effort in their own behalf. According to the correspondent of the *San Francisco Bulletin* in attendance upon legislative doings, the Sacramento valley railroad company, the California Steam Navigation company, Pioche Bayerque & Co., Wells, Fargo & Co., the owners of stage lines, and presumably the telegraph companies, were in opposition to the Central Pacific. In that case, the latter company had some powerful advocates in or out of the legislature, for it secured state aid to a large amount, and the combined influence of private corporations availed nothing either to injure the Central Pacific or to advance the interests of the Sacramento valley railroad.

In 1866 the Placerville and Sacramento valley company received congressional aid in the form of a land grant conditional upon the completion of its road to Virginia City within a given time. It gave ten alternate sections per mile, not mineral, with the privilege of selecting lien lands wherever found within twenty miles of the road, and if not found within this belt, beyond that—making it a floating grant for the whole distance.

The management having become involved in pecun-



itary difficulties, the stockholders objected to the acts of the directors. At a meeting of the former held in Sacramento February 5, 1867, G. W. Swan, president, in the chair, when the secretary called the roll, H. H. Hartley protested against the city of Placerville being allowed to vote, on the ground that a suit was pending against the company in which that city claimed not to be a stockholder. On the other hand O. H. Burnham, on behalf of the county of El Dorado, protested against Louis McLane being allowed to vote 10,000 shares as trustee for Wells, Fargo & Co., and W. S. Burns made a similar protest on behalf of the city of Placerville. On the nominations for directors being ordered, Lester L. Robinson named C. W. Brewster, L. L. Robinson, Frederick A. Bee, A. T. Melvin, W. S. Burns, R. B. McBride, C. P. Jackson, L. Landecker, and W. H. Cooper. Charles E. McLane nominated H. H. Hartley, T. Wilcox, John Blair, G. W. Swan, F. A. Bishop, N. A. Hamilton, G. G. Clark, James Blair, and W. C. Wilkinson. The number of votes cast was 13,811, of which the Hartley ticket received 10,361, and the Brewster ticket 3,450. On the result being announced, L. L. Robinson presented a protest against accepting the Hartley board, which had been elected by the 10,000 shares held in trust, and declaring that the Brewster board had been the choice of the stockholders. The protest was signed by L. L. Robinson, voting 100 shares; county of El Dorado, by O. H. Burnham, voting 2,000 shares; city of Placerville, by A. T. Melvin, voting 1,000 shares; and James P. Robinson, voting 100 shares. W. S. Burns also protested against the casting of 10,000 votes by Charles E. McLane for Louis McLane in trust for Wells, Fargo & Co. F. A. Hornblower was chosen a committee of one to see that these proceedings were properly entered on the book of minutes. O. H. Burnham finally offered a resolution that the acts and doings of the "so-called" board of directors did not meet with the concurrence

or approval of the stockholders, which was tabled by a vote of 10,351 to 3,338. This resolution would go to show that the same trouble had occurred at previous elections, and that the loan and mortgage were an old man of the sea about the corporation's neck, for the creditor held the controlling interest, only 4,000 shares being issued besides those held by McLane.

The board elected by the controlling shares conveyed to McLane the whole road in trust for Wells, Fargo & Co. The result of this action was that work on the road was suspended, and the Central Pacific, with its Dutch Flat wagon road, took away the whole transportation trade of Placerville. Suit was brought to declare the election of the McLane trustees void, on the ground that a trustee has no right to vote, but Judge Brockway of the eleventh district court sustained McLane. The supreme court, however, reversed the decree and decided that such a trustee had no right to vote, and that a board could not perpetuate its power by giving stock in trust to its friends.

For, said this authority, "While the position that the company may issue its stock in payment of its indebtedness is not questioned, it does not follow that the stock may be issued to secure such indebtedness. Had the stock been issued in the usual manner, and afterward became the property of the corporation, and been held in such manner that it did not merge, the corporation might deal with it the same as any stockholder, unless prohibited by the statute; but the claim of authority to pledge the unissued stock necessarily assumes the very point in controversy—the authority to issue stock without purchase or payment. The capital stock of a corporation, previous to its being issued, cannot in any proper sense be called the property of the corporation. When the certificates of stock are issued to the stockholder they are in his hands the muniments and evidence of his title to a given share in the property, income, and fran-

chises of the corporation. The corporation possesses only the right, the power, to issue the stock, and a condition precedent to the exercise of the power is the purchase and payment of the stock. The restriction, if it may properly be so called, is not more unreasonable than those relating to the amount of money the corporation may borrow, and the rate of interest it may pay, and they all tend in some degree, to protect the stockholders and creditors. If the power exists in the corporation to issue stock, to secure a loan or indebtedness, it is practically unlimited, for the directors may issue and pledge all the capital stock, not held by stockholders, as security for a trifling loan, and by the aid of the stock thus issued they may increase the capital stock and pledge the new stock to secure another loan, and thus perpetuate themselves in power beyond the reach of redress on the part of the stockholders, who may have contributed much the larger portion of the assets of the corporation."

When corporations go into court on account of dissensions, disaster is not far away. In 1869 Wells, Fargo & Co. obtained a second mortgage. In 1871 that company was granted judgment, in El Dorado county, against the railroad company, whose property was sold at sheriff's sale to William Alvord, subject to the trust mortgage, for the sum of \$227,659.75, and by him conveyed to the Central Pacific company soon after for \$166,400, the understanding being that the money was to be applied to the liquidation of claims against the road. The Placerville and Sacramento Valley company had now only a nominal existence, and transacted no business. In 1876 the property of the road was reconveyed to the Placerville company, which operated it for the Central Pacific under the name of the Folsom and Placerville company for one year. On the 13th of April 1877 the Sacramento Valley and the Freeport railroad companies consolidated. Barney having died, McLane, the surviving trustee,

demanding to be placed in possession of the road, which was refused, and the court was asked to appoint a receiver, which was assented to. Then the company brought suit to ascertain whether the district court had jurisdiction to appoint such, and the supreme court sustained the lower court. These were a few of the many fruitless legal contests into which the affairs of the company drew the stockholders.

In January 1881 the superior court of San Francisco ordered the Central Pacific company to deposit in court, within thirty days, to abide the event of actions then pending, \$377,500, or surrender the possession of the Placerville railroad to Louis McLane, whom Judge Dwinelle had appointed receiver. The Central Pacific removed its rolling stock—the Placerville company had never owned any, but used that of the Sacramento Valley road—and left McLane in possession. Upon this abandonment by the Central Pacific, the supervisors of El Dorado county employed eminent counsel to endeavor to procure a modification of the order of the superior judge, in order to reopen the road, or compel the receiver to do so.

Success attended this effort, and McLane had already contracted for a locomotive, when judgment was given against the company for \$26,000 and \$20,000 costs and expenses in the suit of one Kittle, on account of bonds held by him. The company took an appeal, and gave a bond for \$70,000, when the receiver was discharged, and the road liberated, which resumed business in July 1882.

Thus the continued desire and endeavor of the city of Placerville and El Dorado county to save their business and increase the facilities for travel by a railroad connection with the Sacramento river, and possibly by a connection on the east with a transcontinental road, was not only defeated, but the money sunk in the enterprise almost bankrupted the county. The unpaid interest in 1873 amounted to \$75,000,

which added to the tax levied for county purposes amounted to \$7.25 on each hundred dollars of taxable property in the county. Placerville had lost the trade it formerly possessed by reason of its position at the foot of the Sierra and the excellent mountain roads, the Central Pacific having diverted all by the Dutch Flat wagon-road extension of its railroad even before the completion of the mountain division of the latter.

In seeking for the correct and proper explanation of the disasters which continually overtook this earliest of California railroads, we have to consider the position of a large body of people whose interests were in Sacramento, and who had sufficient power, politically and financially, to defeat its purposes. Sacramento had opposed it from the first, and a Sacramento company overcame it at the last. There was value enough in the congressional land grant, with proper management, to have constructed the road. But as the railroad was not completed according to the terms of the grant, and as it extended but eighteen miles within their county, the people of El Dorado protested against the opposition company being allowed to hold the land, and brought it to the notice of the legislature, which in 1872, and again in 1874, requested congress to revoke the grant, and the land was restored to the public domain in the latter year.

The history of this pioneer railway would not be complete without a copy of the first freight schedule between Freeport and Latrobe, which was as follows :

|                                                                                                |         |
|------------------------------------------------------------------------------------------------|---------|
| For transportation to Latrobe, less than fifty miles.....                                      | \$ 4 00 |
| From Latrobe to Freeport or Sacramento (the shipper to load and unload), ordinary freight..... | 3 00    |
| Ores, per ton.....                                                                             | 2 00    |
| Marble per ton.....                                                                            | 2 50    |
| Lumber per thousand feet.....                                                                  | 3 00    |
| Wood per carload of 6½ cords.....                                                              | 12 00   |
| Hides, each.....                                                                               | 08      |
| Kips, “.....                                                                                   | 05      |
| Pelts, “.....                                                                                  | 03      |
| Signed by J. P. ROBINSON and<br>F. A. BISHOP, Supt.                                            |         |



It was a simple enough matter to classify down freight in those days. The rate of fare is not given, but the law allowed them ten cents a mile.

About two months after the railroad meeting held in Sacramento in 1852, that is to say, on the 17th of August of that year, articles of incorporation were filed of the Sacramento, Auburn, and Nevada Railroad company, containing the names of twenty-six subscribers of twenty-eight shares each, at one hundred dollars a share, with the names of the directors: S. W. Lovell, Placer county; T. O. Dunn, John R. Caryell, Charles Marsh, Isaac Williamson, and William H. Lyons, of Nevada county; John A. Read, J. B. Haggin, and Lloyd Tevis, of Sacramento county. A line was surveyed from Sacramento city through Folsom, Auburn, and Grass Valley, to Nevada City, a distance of sixty-eight miles. The estimated cost of construction, \$2,000,000, being too great for the means of the incorporators, the scheme was abandoned.

This survey, it will be observed, was made a year previous to the surveys ordered by the government. It extended eastward through the Henness pass, and was the earliest regular survey of a railroad route over the Sierra; but the report has unfortunately not been preserved. The survey of Noble and Madelin passes the following year by Lieutenant Beckwith did not demonstrate the existence of a feasible route for a railroad, and was of no more value than this earlier one except that it was made public.

In 1858 Theodore D. Judah, to whom the state owes more than with proper gratitude it has ever acknowledged, commenced a survey for a branch road from Auburn to some point on the California Central, of which he was chief engineer. Finding the cost of overcoming the difference in elevations on the route selected to be a formidable obstacle, the branch road was abandoned. The following year, however, the

people of Sacramento, Placer, and Nevada counties determined to form a company and organize for further survey and a longer road. This purpose was carried out by subscribing stock to the amount of \$50,000, and calling a meeting at Auburn on the 23d of July 1859, at which time the Sacramento, Placer, and Nevada railroad company was organized, with the object of constructing a railway from some point on the California Central to Auburn, Grass Valley, and Nevada City. James E. Hale was chosen president, John O. Jackson treasurer, and F. B. Higgins secretary.

"This," says its historian, "was to be the long-hoped-for railroad to Auburn, for which its enterprising citizens had struggled and organized at various times since 1852; for which conventions had been held, laws enacted, subsidies voted, and many columns of newspaper matter printed in its advocacy. The most laudable ambition of a public-spirited and energetic people was to be gratified."

Reconnoissances were made by S. G. Elliott, then county surveyor of Placer county, and M. M. Stangroom, civil engineer, followed by a complete survey by Sherman Day, state engineer, who made an elaborate report. He ran two lines, the first corresponding closely to that run by Judah, and the second, which he found practicable, was carried along the western slope and summit of the lower dividing ridge between the basins of two ravines, the crossing of one of which had interfered with the practicability of the first survey, and crossing the other came to the California Central in a distance of nineteen miles from Auburn. The total cost of this part of the road was estimated at \$516,133. Day estimated the receipts of the projected railroad at \$344,195 yearly, and the total expenses \$176,195, and when it should be completed to Nevada City, a distance of thirty-two miles from Auburn, the freight to that place would add \$263,000 annually to the receipts. These were moderate estimates, and the enterprise promised well.

On the 7th of April 1860 Charles A. Tuttle was elected president of the company, and S. W. Lovell retained as a director. On the 23d of that month the legislature passed an act authorizing the citizens of Auburn to vote on the proposition to subscribe \$50,000 to the stock of the company, to be paid when the road was completed to within thirteen miles of the town. The election was held on the 4th of June, when the unanimous consent of the electors was obtained.

By act of the legislature also, the county of Placer was authorized to submit to its voters a proposition "to subscribe \$100,000 of the stock of the Sacramento, Placer, and Nevada railroad; \$25,000 of the stock of the Eastern Extension railroad; \$12,500 toward the construction of a wagon road from Secret springs, on the divide between the middle and north forks of the American river, in Placer county, to Carson valley; and \$12,500 toward the construction of a wagon road from Dutch Flat, in Placer county, to Carson valley." This proposal was to be voted upon by the people, and the proposition was guarded like the former act by a proviso that not more than \$50,000 of the bonds of the county should be issued in aid of the railroad until thirteen miles should have been completed. Upon the receipt of the bonds, the railroad companies—the Sacramento, Placer, and Nevada and the Eastern Extension—should execute and deliver to the county commissioners shares of stock at par value equal in amount to the bonds received, and endorse them as paid for in full. The bonds were payable in twenty years, at eight per cent interest, payable semi-annually. All dividends declared by the railroad companies on the stocks owned by the county should be paid to the county treasurer, to be applied on the accruing interest on the bonds of the county. Three commissioners were to be appointed by the board of supervisors to locate the two wagon roads, and to expend the appropriations, if made, giving bonds to the county for the same.

The four propositions were to be voted on separately. The Eastern Extension railroad, which was located up Auburn ravine to Auburn, was regarded with little favor except by those who were directly upon the route. The other three propositions were similarly sustained by the residents along the lines, and opposed by other parts of the county, and the canvass for the election was an exciting one. It resulted, as might have been expected, in a large majority against each measure.

The Sacramento, Placer, and Nevada company then directed their efforts to getting subscriptions in Auburn, Sacramento, and San Francisco, and succeeded in obtaining \$60,000, which with the previous amount voted by Auburn gave them \$110,000 wherewith to commence construction, the grading being estimated to cost \$130,000; but the directors had arranged with the Sacramento valley railroad for iron, and for operating the road. In June 1861 J. P. Robinson was appointed chief, and M. L. Stangroom assistant engineer, to permanently locate the line. In August J. B. Bayerque, J. P. Robinson, James E. Hale, J. R. Crandall, and C. H. Mitchell were elected directors; Hale, president; Mitchell, secretary, and John Q. Jackson, treasurer. The contractor was Jackson R. Myers, who commenced grading the division between Folsom and Auburn on the 28th of August. The storms and floods of the winter of 1861-2 seriously impeded the work, which, however, proceeded so well that in April iron began to be laid, and on the 16th of July seven miles of the road was opened for business—from Folsom to Wildwood station. By the 20th of September it was completed thirteen miles, to Auburn station, which became a distributing point, where forwarding and warehouses were erected, and where freight-wagons and stages had their departures, making a good promise of a town of importance whenever a railroad should cross the Sierra.

For, in all their plans, the Sacramento, Placer, and Nevada company had in view a connection with a trans-continental railroad, fully believing and expecting that their line would form a portion of the great Pacific highway. In this respect they did not differ, however, from every eastward-pointing railroad in California at this period; but as the pioneer mountain road this one may be regarded as the earliest practical movement toward overcoming the vast upheaval bounding the state on the east. They were destined, however, to great disappointment.

The legislature in May 1862 had amended its former act, making it provide only for a loan of \$110,000 from the county of Placer to the railroad company, on condition of twelve miles from Folsom being completed before the bonds were issued. That condition had been complied with, but now congress had passed the Pacific railroad bill, and the route selected by the Central Pacific company was run from three to seven miles northwest of their line. The paralleling of their road by a government-aided road was a fatal blow to their hopes. No election was ordered on the county-aid proposition; and in June 1864, when the Central Pacific was opened to Newcastle, within five miles of Auburn, making the former the distributing centre of travel and traffic, the Sacramento, Placer, and Nevada company ceased to do business.

It was sold at sheriff's sale under its mortgage to the Sacramento valley company, to J. P. Robinson, who commenced the removal of the iron, which was to be used in laying the track of the Placerville extension of that line. One Griffith, who owned a granite quarry on the Placer road, sued out an injunction to prevent the rails being taken up, on the ground that it would seriously damage his business, Judge Fellows of Placer county granting it. The sheriff had a small posse guarding the road when warrants were served on them for disturbing the peace and carrying concealed weapons, said warrants being issued



by a justice of the peace at Lincoln. All were arrested except the deputy sheriff, Coburn, who escaped on a fleet horse to Auburn. Sheriff Sexton thereupon called out the Auburn grays, a local military company, fifteen of whom repaired with the sheriff and others to the field of contest, where the railroad men were energetically at work removing rails. An engagement was fought in which one man was bayoneted, and another shot through the ear, and finally Sexton captured twenty men, including five Chinese. For several days both sides maintained a picket guard, taking prisoners, and the railroad party capturing the sheriff, who was sent down to Folsom on a locomotive. Then an order was obtained from the supreme court directing a stay of proceedings under the injunction granted by Judge Fellows, and the sheriff's forces were withdrawn. The same order was served on Sheriff McClatchy, of Sacramento county, who had warrants for the arrest of persons disregarding the injunction. Meanwhile Robinson's men improved the time in taking up the track, and under a warrant to suppress rioting, another posse of sheriff's men and the Auburn grays made a second attack on the railroad party, one of the militiamen being severely beaten and the sheriff's party repulsed.

A few days later Robinson was arrested for persisting in disobeying the injunction, together with over seventy others, and a hundred more warrants were out which were not served.

Meantime the case of Griffith against Robinson was going through the courts; but before the supreme court had passed upon the appeal, the railroad party by the tactics above described had succeeded in removing the rails as far as the county line, where, of course, the jurisdiction of the Placer county courts and officers ended, and without further opposition the iron track of the Sacramento, Placer, and Nevada road was transferred to the Placerville extension of the Sacramento valley road, and shortly afterward, as

before mentioned, passed into the possession of the Central Pacific company. Such was the outcome of the first attempt to secure a railroad from the interior to the eastern boundary of the state.

It would be surprising that the interior towns should exhibit so much energy in the matter of railroads while San Francisco maintained a seeming indifference, did we not know that, sitting between the sea and the mouths of the two principal rivers of the country, her needs were not so pressing as those of inland towns, and that her capital was required for immediate investment in local enterprise.

From the first, however, the project of a transcontinental railroad had been kept in view, and as early as 1849-50 the plan of a railway to San José was agitated, which was to be the first link western in the greater one which was looked for to come from the east to the California boundary. At a public meeting held in San José on the 29th of June 1851, an address by a committee appointed at some previous meeting was adopted, which set forth the feasibility and purposes of the contemplated road, and the further fact that \$100,000 had been raised toward its construction. On the 6th of September the Pacific and Atlantic railroad company was organized, and the survey commenced. The report of the chief engineer about the close of the year made known the failure of the company to dispose of its stock in the markets of San Francisco or San José. Attempts were then made to negotiate for funds with New York and London bankers, but the effort was fruitless because no part of the road had yet been constructed. Congress, which was appealed to for aid, also failed, the senate only in May 1852 passing a bill to grant the right of way and a donation of public lands to assist the company in carrying on the work.

In August 1853 a state railroad convention was held at San Francisco, which revived temporarily the

courage of the projectors of such enterprises. Thomas O. Larkin was president of this convention; P. A. Morse, James Cunningham, Gregory Yale, E. M. Earl, John Middleton, Dinnie, Ames, H. S. Fish, H. H. Haight, D. S. Turner, J. P. Leese, and McHenry, vice-presidents; and W. K. Brown, and Isaac Wall, secretaries. The committee on resolutions consisted of James A. McDougall, N. C. Reed, Hambly, J. C. Cobb, J. H. Purdy, George C. Bates, Warner, P. A. Brinsmade, S. Adams, Garrison, and George L. Cook. Some stirring speeches were made. The committee estimated the cost of a Pacific railroad at \$80,000,000, and the time necessary to construct it six years. In October the Pacific and Atlantic company was reorganized under a new incorporation law, and the capital stock fixed at \$2,000,000, after which for a time there seemed to be a promise of ultimate success. But this was at a period of the state's history when municipal and legislative affairs were in unscrupulous hands—from which they are not, indeed, at this day wholly free—and financial reverses for two or three years caused the suspension of public and the ruin of private enterprises. It was found impracticable to prosecute the company's design; and although the legislature extended the time allowed for commencing the construction of its road, and expending thereon five per cent of the amount of its capital stock, as required by law, the charter was allowed to lapse, and the Pacific and Atlantic company ceased to exist.

It was not until 1859 that a third company was formed and incorporated under the name of the San Francisco and San José railroad company, which having the memory of past shipwrecks to warn it off the rocks of failure, struggled to construct a portion of its road before offering its stock in the money market. The legislature authorized the counties through which it was surveyed to vote a stock subscription amounting altogether to \$900,000; but the

press of San Francisco, having before it the recent histories of county subscriptions, opposed and defeated the subscriptions, when the corporation dissolved, in June 1860, which was the end of the third attempt to build a road out from San Francisco.

A new company within a month took the place of the last, organizing in July with a capital of \$2,000,000, divided into 20,000 shares of \$100 each, and had a portion of the road under construction in October of the same year, the contract being let to Charles McLaughlin and Alexander H. Houston to complete within three years for \$400,000 in cash, \$600,000 in bonds of the counties through which it passed—and which subscribed under a general law passed in April 1859, authorizing any counties of the state to subscribe for or purchase stock in any railroad then organized, or which might thereafter be organized, and extending in whole or in part through the counties taking stock, to the amount of five per cent on the taxable property of such districts, and also under special acts, provided in both cases a majority of the electors should vote for it—\$500,000 in mortgage bonds of the company, payable in ten years and drawing eight per cent interest, and \$500,000 in capital stock of the company. Individual subscriptions to the amount of \$285,300 were obtained, \$100,000 of which was paid in cash, the remainder of which was taken by the directors and contractors to prevent the stock being bandied about in the market by speculators.

The officers of this company were T. Dame president, Peter Donahue treasurer, Charles W. Sawyer secretary, C. B. Polhemus, H. M. Newhall, M. D. Sweeney, G. H. Bodfish, and B. F. Mann, the other directors. This road was not a difficult one to construct, the principal expense being in effecting a good exit from San Francisco through the San Bruno hills which border the bay for a few miles in San Francisco and San Mateo counties. The remainder of the distance was over a fertile and beautiful country

made picturesque by the near view of these tree-clad heights on the one hand, and level plains on the other, until the hills were quite left behind, and the traveller emerged into the wide Santa Clara valley, dotted with wide-spreading oaks, the view closing only with the distant line of the Coast range, and the nearer view of the waters of San Francisco bay. What was beautiful in its natural state has been rendered still more attractive since the railroad opened this region for settlement by men of wealth whose suburban homes extend half the distance to San José.

There was for some time a lively apprehension lest the San Francisco and San José railroad should obtain a right to enter San Francisco in such a manner as to run its trains across the city to the bay at North beach. It did, in fact, enter what was then Mission Dolores, and is now a solidly built up portion of the city, which it crosses obliquely to its depot at the junction of Fourth and Townsend streets.

On the 17th of October 1863 the road was opened to Mayfield, thirty-five miles, for the pleasure of excursionists, and on the following day began business. The rate of passage was five cents a mile. Freight was not carried over it until February 1864, and no special freight trains were run until June following. The formal opening of the whole line took place January 16, 1864, and was celebrated with enthusiasm, a doubly warm expression of joy being indulged in because this fifty miles of track was regarded as a portion of the Pacific railroad so long hoped for, and now actually begun in California under the act of congress of 1862. In point of fact, there was an understanding between the San Francisco and San José company and T. D. Judah, who was managing the modification of the Pacific railroad bill, that this corporation should be named in it as one authorized to participate in the construction of the Pacific railroad, whereas it was not mentioned in the bill, the Central Pacific adopting another road.



This was a disappointment for the company and stockholders, who also had to sustain a further surprise, if not a disappointment. It had escaped observation that the acts authorizing the counties of Santa Clara, San Mateo, and San Francisco to subscribe to the stock of the railroad company had not provided for the stock being represented at the meetings of the stockholders. This left the contractors greatly in the majority. It was also discovered that the contract to construct the road had been let to McLaughlin and Houston without advertising for bids, and before the counties had voted to subscribe, and that therefore they had nothing to say as stockholders concerning the management of the road in which \$600,000 of their money was invested.

Santa Clara county took the alarm, and sought legislative protection, by way of authority to dispose of its stock, a law being enacted upon request of the other counties similarly situated authorizing them to exchange their stock for county bonds or cash at a price for the bonds not exceeding their par value—if for cash, the money realized should be applied to the redemption of the bonds—but the stock could not be offered for sale before the expiration of a year from the passage of the act. The company offered to become the purchaser of the \$200,000 of Santa Clara county stock, paying for it in United States seven thirty bonds, which could be purchased with legal tender notes worth less than \$100,000 in gold—the currency of California—and was allowed to do so; Santa Clara desiring to free itself from railroad entanglements, and to lessen its indebtedness, as well as the amount of local taxation. San Mateo county, more shrewdly, through its representative in the state senate, secured the passage of an act providing for the assessment of railroad property in the three counties through which the road was located, at a regular pro rata per mile, which brought this district the largest proportional returns on its investment. The

whole assessment on the San Francisco and San José railroad in the counties and cities through which it passed, was \$1,040,654, as follows :

| RAILROAD.       | ASSESSMENT. | CO'TY REVENUE. | RATE OF TAX.    |
|-----------------|-------------|----------------|-----------------|
| San Mateo....   | 580,354     | \$11,026 35    | \$1 90 on \$100 |
| Santa Clara...  | 350,000     | 8,650 00       | 2 48 “          |
| San José.....   | 22,800      | 228 00         | 1 00 “          |
| San Francisco.. | 87,500      | 2,607 50       | 2 98 “          |
|                 | \$1,040,654 | \$22,511 85    |                 |

The tax paid by the three counties for annual interest on their \$600,000 railroad bonds was \$42,000, and they received back under this law \$22,511.85 from the railroad company, more than half of which went to San Mateo, in which there lay more miles of track than in either of the others, but which had subscribed only half as much as Santa Clara, and one third as much as San Francisco. It was natural that this should cause some feeling among the counties, which, while striving for themselves to escape taxation, were willing to throw the burden upon others, and upon the railway companies. But San Francisco, which had subscribed as much as both the other counties together, having but a few miles of road, received in assessments only \$2,607.50 in taxes, when but for the act referred to the city might have received ten thousand or more. San Francisco nevertheless determined to keep her railroad stock, in the faith that other property values were going to be increased by the road. That country property along the road was advanced in price was indisputable, but that San Francisco derived, directly, any great advantages from this investment is not apparent.

As to the business of the road in its first year, it did not amount to a great sum, nor could it have been expected, as it terminated at a provincial town, and as the country it traversed had not yet become highly productive. Its income did not equal that of any other fifty miles of railroad in the interior, but steadily increased, as the following table will show :

|                   | TOTAL.      | AVERAGE PER<br>DIEM. | INCREASE PER<br>MONTH. |
|-------------------|-------------|----------------------|------------------------|
| 1863.             |             |                      |                        |
| October—14 days.. | \$ 4,183 45 | \$298 81             | .....                  |
| November.....     | 9,500 20    | 316 67               | \$ 17 86               |
| December.....     | 11,241 45   | 362 62               | 49 95                  |
| 1864.             |             |                      |                        |
| January.....      | 15,495 55   | 499 86               | 137 24                 |
| February.....     | 22,966 24   | 791 94               | 292 08                 |
| March.....        | 25,120 91   | 810 35               | 18 41                  |
|                   | \$88,507 80 |                      |                        |

The want of railroad connection with the interior, from which San Francisco suffered, seemed likely to be supplied from two enterprises prosecuted about the same time.

As early as 1852 the Benicia and Marysville National railroad company was incorporated under the provisions of the general railroad incorporation act of the previous year, and as its name implies, had for its object the construction of a railway from San Francisco bay to Marysville, and like all the early companies intended to secure a place in the chain of railroads, which was to reach to the Atlantic seaboard. The survey was completed in 1853, and in February 1854 a meeting was called in Marysville to vote on the proposition of subscribing \$800,000, the result showing a large majority in favor of it. Benicia promised to furnish \$250,000, and the project was believed to be practicable, but was not carried out at that time.

Another company was formed in 1857 under the name of San Francisco and Marysville railroad company, and a new survey was made by W. J. Lewis and F. Catherwood, engineers. In April 1858 the legislature conferred upon the company certain rights as follows: authority to construct and keep a railroad drawbridge across the Sacramento river, on the line of their road; a grant of one-half mile of the waterfront on the northeast side of Napa bay or the straits

of Carquinez ; a grant of one-half of all the overflowed and swamp lands lying within the counties of Sutter, Yolo, and Colusa, through which the road was located, within certain boundaries, and designated by alternate sections of which the even numbers were the ones granted. No title could rest in the company before the completion of the railroad from Marysville to the Sacramento river, and the reclamation of the overflowed lands in Sutter county. On the road being completed to Cache creek, in Yolo county, and the swamp land reclaimed in Yolo and Colusa counties, the second deed would be due ; and when the road should be fully completed to the straits, and the whole of the granted lands reclaimed from overflow, the company was entitled to receive in full the amount of the grant ; but if in two years the company should have failed to complete their road, according to these conditions to the Sacramento river, and within four years to its terminus, then all these grants and privileges should be forfeited.

A contract was entered into with D. C. Haskin to construct the road under the terms of this act for \$3,500,000. He went to England and secured the promise of the necessary capital, but arriving homeward at New York at the breaking out of the civil war found himself confronted with the difficulty of obtaining iron, as well as of sustaining credit abroad, which embarrassments delayed the progress of the work beyond the time to which he was limited by law ; and although the legislature extended the time to two years, he was still unable to complete his contract. To add to the hopelessness of the undertaking, the county of Yuba, which had subscribed \$200,000, secured the passage of a bill giving it leave to withdraw its unpaid subscription ; and all railroad loans were discountenanced, on account of a heavy indebtedness which compelled the county to intermit for two years the tax levied to meet the interest on

and create a sinking fund for the liquidation of bonds already issued for railroad purposes.

Upon investigation by the grand jury of Yuba county, it was found that the entire amount of private subscription amounted to no more than \$226,000; county bonds, half of which had been withdrawn, to \$400,000; the value of the company's land grant \$600,000; and other property donated to the company at Vallejo, Marysville, and in other places, amounting altogether to \$1,750,000. Assessments remained unpaid, the contractor already held a mortgage of \$1,500,000 to be met by the available assets of the company, and, in short, the company was bankrupt, with nothing to show for the outlay but sixty miles of road-bed which was badly damaged by the flood of 1861-2 and subsequent winters.

The officers and directors of this unfortunate company were J. B. Frisbie, of Vallejo; D. W. C. Rice, C. B. Fowler, W. K. Hudson, J. E. Galloway, of Marysville; and W. G. Hunt, of Yolo. They had relinquished all the land grant except the half mile of water-front at Vallejo; and although the legislature extended the time to 1865, the company was unable to complete its design.

Circumstances had also changed with the progress made by the Central Pacific, which having shown its ability to cross the Sierra and meet the Union Pacific, was now the road with which it was most important to connect, in order to place Vallejo and San Francisco on the transcontinental line, and the San Francisco and Marysville company, had it been able, would have changed its location in favor of a Sacramento instead of a Marysville terminus.

At this juncture a new organization was effected, and on the 3d of October 1865 was organized a company under the name of the San Francisco Central Pacific railroad company, with the same contractor and manager as before; the new company having the



roadbed of the former corporation at its disposal, as far as it could be made available, with the object of building a road to Sacramento over the shortest route. An agent was sent east to negotiate for funds, a new survey made, W. S. Watson being chief engineer, and matters progressed favorably for some time, L. B. Migner being president, and Samuel C. Gray secretary. Migner went to Washington to obtain a land grant from the general government, but the bill failing in the lower branch of congress for want of time, this resource had to be abandoned, and their affairs languished.

Meanwhile another scheme had been set on foot, and in 1867 the California Pacific railroad company was incorporated, having purchased the stock, debts, property, and other assets of the former corporations, and located its route from Vallejo to Sacramento, with a branch to Davisville and Marysville. The officers and directors elected at the first annual meeting were, D. W. C. Rice, president; Charles G. Bockins, vice-president; W. R. Hudson, treasurer; L. C. Fowler, secretary; Robert L. Harris, chief engineer; John F. Miller, John B. Frisbie, and A. D. Starr.

The plan of the road was to start from deep water just south of the town of Vallejo and pass through Solano, Yolo, and Sutter counties. The junction of the Sacramento and Marysville branches was to be at Davisville, and seven miles from Vallejo another junction was to be made with the Napa valley railroad. It was to connect with the Central Pacific at Sacramento, and with the California and Oregon railroad at Marysville. At Vallejo passengers were to be transferred to commodious steamers and carried to San Francisco while enjoying the elegance and ease of this mode of travel, and the delights of a leisurely view of the fine scenery of San Francisco bay. The length of this water carriage was twenty-two miles, and of the land carriage to Sacramento fifty-nine

miles. The route was nearly a dead level, the greatest elevation being 250 feet at eleven miles from Vallejo. The greatest engineering difficulty to be overcome was in crossing three miles of tule land over which the road would have to be carried on trestle-works ten feet above the ground.

In January 1867 the road was let to its several contractors Costello & Co., J. D. Patterson, B. E. Hickok, Welcome Fowler, Jamison Canon, and Lemon, Jackson & Taylor, all under the management of D. C. Haskin. Had not the iron been delayed in arriving, the grain crop of Solano county might have been taken to tide-water by rail that season; but failing this there was no haste, the road being opened to Washington, in Yolo county, opposite Sacramento, in November 1868, and to Sacramento in 1869.

Hitherto the California Steam Navigation company had controlled the transportation of the Sacramento valley, and the springing into life of a formidable railroad rival was regarded with apprehension and hostility. No arrangement could be made with them for the transfer of railroad passengers from Vallejo to San Francisco, nor would they sell to the railroad company any of their numerous fleet of boats; the *Antelope*, a slow, and not in any way a first-class steamer, being the only one which could be obtained when the road opened to run in connection with the trains of the California Pacific until the company purchased the *New World*, then on Puget sound, which was fitted up for a transfer boat. The *New World* was both large and fast; but other boats were needed, and to supply this want, as well as do away with opposition on the river, the railroad company purchased all the stock of the navigation company, by which measure it greatly strengthened itself.

The aid given to the California Pacific, above what it acquired by the purchase of the stock and debts of the San Francisco and Marysville company, was a subscription of \$100,000, in bonds of the county of

Yolo, bearing seven per cent interest, payable in twenty years, conditioned upon the completion of the road to Washington by November 1869. The legislature also transferred to it the land grant made in 1858 to the San Francisco and Marysville company, which had lapsed, together with the privilege of bridging the Sacramento river at Knight's landing, and at Sacramento.

But here the California Pacific encountered a strenuous opposition from the Central Pacific company, which had other views of a route to San Francisco, and besides liked not the prospect of a popular rival. The reasonable ground for opposing the entrance into Sacramento of the competing road was that it must cross the track of the Central Pacific, which was laid upon the levee. Every attempt to lay their track at the crossing was met with forcible resistance, until it appeared that bloodshed must result. But during an armistice, when the case was before the court, the California Pacific succeeded in laying its track, and on the 29th of January 1870 landed its first load of passengers in Sacramento, amidst vociferous display and the firing of cannon.

Commissioners having been appointed to assess damages to the Central Pacific, brought in a bill for \$360,680, which the court threw out as excessive.

Previous to July 1871 the California Pacific company, over and above its \$12,000,000 of capital stock, had purchased and owned all the stock of the San Francisco and North Pacific, and the San Francisco and Humboldt bay railroads, to the amount of \$8,600,000 each. It owned three-fourths of the unissued stock of the California Eastern Extension railroad company. This company was incorporated in October 1869, to construct a railroad commencing at a point on the California Pacific near Woodland—to which a branch extended—and to run thence to a point at or near Colusa, thence to Tehama, thence to Red Bluff, a distance of 105 miles; with a capital stock of

\$3,500,000, in shares of \$100 each. The directors of this company were D. C. Haskin, J. P. Jackson, L. C. Fowler, J. M. Ryder, A. D. Starr, G. J. Cole, and W. K. Hudson. Connection had also been secured with the Napa valley road by a branch; the Oroville road was to be extended to Chico, and the plan of a complete railway system for the upper Sacramento valley was about perfected.

But this system, if completed, would take away the usefulness and profit of the California and Oregon road, in which the Central Pacific company was interested. Its rapid advance to Marysville threatened another trans-montane road. Meanwhile the rumor became current that the Central Pacific company were about to build a branch line to Benicia. The rumor, if we may believe the press of the period, was regarded as untrustworthy; yet we have the testimony given in a suit at law that the intention of the Central Pacific to build a parallel line from Sacramento to Vallejo caused the president of the California Pacific, Milton S. Latham, in 1871, to agree to sell to the Central Pacific company a controlling interest in his road, including the Extension company's stock, and the Navigation company's property, for the sum of \$1,579,000, to be paid in sixteen hundred bonds of the company of \$1,000 each, with twenty years to run, at six per cent, secured by mortgage on the road and property, payment to be made on the 1st of October, when a new board of directors would have been elected, and a general transfer of all the property of the California Pacific should take place.

Previous to the transfer another contract was obtained whereby, instead of delivering the bonds, the Central Pacific should construct for the California Pacific an additional track from Davisville to Sacramento, and also should widen and strengthen the existing road. The contract was not performed, and this portion of the route between Davisville and Sac-

ramento, being faultily located, was washed away in the rains of the winter of 1871-2, when the Central Pacific, by its Contract and Finance company, restored it, and charged the California Pacific the \$1,600,000 which it was to receive for its various properties, in payment of these repairs.

The Central Pacific company also sold the San Francisco and North Pacific railroad, which the California Pacific had purchased from Peter Donahue, back to Donahue for \$1,050,000, less a considerable amount which they were owing him.

Through the influence of certain interested persons, suit was afterward brought against the California Pacific company, based upon liberal advances to meet \$500,000 of principal and \$300,000 of interest on the income bonds of the California Pacific, and a confession of judgment was obtained for \$1,394,000, which was made a lien upon the road, in preference to the claims of other bond-holders, many of whom, being foreigners, could not secure themselves if the road were forced into bankruptcy. At the same time suit was brought against the California Pacific company by Michael Reese, which tended further to complicate its affairs and bring on bankruptcy.

Such was the state of affairs when, in 1876, the Central Pacific company took a twenty-nine years' lease of the California Pacific, at an annual rental of \$550,000, and three fourths of its net earnings; all taxes, expenses, and repairs to be paid by the lessee, and the one fourth of the earnings retained to constitute a sinking-fund, to pay interest on its bonds, and to meet any extraordinary outlay. Thus resulted the efforts of the California Pacific, which started in its career with such high hopes, losing in these several intricacies its credit, property, and even its name—for it appears on the railroad maps as a part of the Central Pacific system, which it became by the construction of a branch to Benicia and Oakland.



The California Eastern Extension railroad company to which reference has been made, had developed a scheme previous to its purchase by the Central Pacific company, of magnificent proportions, which was to carry their road northeast through the state, crossing the boundary near Goose lake, running north through Oregon, Idaho, and Utah, to Ogden; with a branch from about Pit river, on the 41st parallel, to a junction with the Oregon and California railroad; and a second branch extending west from the lake district in southeastern Oregon to Klamath lake, and a junction with the Oregon and California road; in all about 943 miles. The capital stock of this company had been increased to \$50,000,000, in 500,000 shares of \$100 each. Of this stock the California Pacific company held 10,000 shares, the remainder being taken by German, English, and California capitalists as follows: W. F. Roelofson, 250,000; Rudolf Sulzbach, Frankfort-on-the-Main, 24,000; Alex. De Faski, London; E. H. Greene, London; W. H. Tillinghast, Julius May, Milton S. Latham, J. B. Frisbie, J. Friedlander, R. P. Hammond, A. Gansel, E. L. Sullivan, F. D. Atherton, J. P. Jackson, each 18,000. Ten per cent of these subscriptions had been paid up when the sale of the California Pacific and the several suits which tended to weaken its capabilities and lessen its credit completed this interesting chapter of early railroad history.

The corporation which enjoyed the preference of the Central Pacific was organized in 1862, under the name of Western Pacific railroad company, and its purpose was to construct a railway from Sacramento to San José via Stockton. Its officers were T. Dame, president; E. S. Holden, vice-president; E. T. Pease, secretary; R. Chenery, treasurer; and W. J. Lewis, chief engineer. The legislature in 1863 authorized the county of Santa Clara to subscribe \$150,000, which amount of stock was taken by that county, on

the usual terms of seven per cent interest, and twenty years to run. San Francisco was authorized by the same body to subscribe \$400,000 of the company's stock, but preferred to donate \$200,000, which was accepted; and San Joaquin county subscribed \$250,000—in all, \$600,000. It was not easy to raise capital during the years when war was wasting the country's resources, and the company failed to commence operations until the Central Pacific company came to its aid in 1865, making it a part of the transcontinental by assigning to it that part of its contract with the government which extended its line from Sacramento to the Pacific, which assignment was confirmed by congress.

Construction began in 1865, the contract between Sacramento and San José being awarded to Charles McLaughlin on that part of it between San José and Niles, a distance of eighteen miles. McLaughlin was said to have made \$971,000 over what he paid to a sub-contractor, who performed the work for \$900,000 and made \$300,000 at that. But of such details not much can be known, even if it were desired. The point aimed at by the critics was to show that the subscriptions by the counties were unnecessary, inasmuch as the Western Pacific received nearly two millions in bonds of the United States besides its land grant.

It was clearly the design of the original Western Pacific company to make the San Francisco and San José road, together with their own, the western division of the Pacific transcontinental, the chief person in the San José road, Charles McLaughlin, being also interested in the Western Pacific. But the Central Pacific company being anxious to complete its line to Salt lake in order to secure the trade of Utah, and not being able to do so much as to build to the Pacific and to Salt lake at the same time, entered into an arrangement with the Western Pacific, as already stated, whereby its claim to right of way

and land grant was transferred to the latter company in 1865. McLaughlin contracted with the Western Pacific, which was now in fact the Central Pacific, to construct the road from San José to Sacramento for the sum of \$5,409,773. After building the road to Vallejo's mills, and to a considerable extent, if not wholly, completing the grade as far as Stockton, and failing to pay his sub-contractors, the work came to a standstill. This seems to have been the occasion of a new arrangement between the two companies, the Central Pacific assuming the entire further construction, and retaining the government bonds due upon the completion of stated portions of the road, while McLaughlin was forced to accept the land grant as his compensation, excepting the right of way and depot grounds, when required, belonging to it. As soon as the Central Pacific had made its connection with the Union Pacific in 1869, it put a large force of men upon the Western Pacific to complete it. The road ran south from Sacramento to Lathrop, near which place it turned a little south of west across the San Joaquin river, penetrating the Diablo mountains by Livermore pass, and following down the Alameda river to Niles, or Vallejo's mills, where it made a junction with the branch running south to San José; but instead of using this route as originally intended, and bringing the terminus of the Pacific railroad into San Francisco, the Central Pacific turned almost directly north from Niles, connecting with the railway through Haywards and Alameda, the road being opened on the 4th of October 1869 to the wharf of that place, but subsequently carried through Oakland.

A profile or guard map of the route of the Western Pacific was filed with the secretary of the Interior January 30, 1865, before the assignment of the Central Pacific's rights was confirmed by congress, and the lands withdrawn for twenty-five miles on each side of the road. The law also required that when a final location was made, a map of that final route must also

be filed in the secretary's office, in order that a survey might be made, and the railroad land allotted, while the government lands could be opened for settlement and preëmption. No movement was, however, made toward filing this last map by either the Central or Western Pacific, now practically one, and controlled by the Central company; but McLaughlin was selling quitclaims to settlers, who could not be sure whether they were upon railroad or government land, and who, alarmed lest they were paying for property to which they were not getting a good title. This state of things continued for some time, McLaughlin being in no haste to disturb the same; for as long as he could sell the lands and obtain pay therefor, it was not a matter of the greatest importance to him how it was ultimately determined between the settlers and the government. No little feeling, however, was manifested about the matter, both at the time and subsequently, though the true significance of affairs was not clearly understood by the settlers until later, after a considerable quantity of land had been thus transferred. Then when a subsequent survey showed some actual cases of error in selecting government lands, the unlucky occupant could pay the railroad price or be sued for trespass. This state of affairs being opposed to the interests of California, a petition was put in circulation in 1869 to compel McLaughlin to file a definite location, when it was found that a portion of the supposed railroad lands were included within a Spanish grant over which congress possessed no authority, and which was subsequently surrendered to its individual owners.

The Western Pacific had arrived at San Francisco bay, but it was still separated by several miles of water from the metropolis of the Pacific, and was compelled to use the track of another company to get to the water front.

The Alameda Valley railroad company was formed

on the 10th of January 1863, with the object of building a railway from the easterly terminus of the San Francisco and Oakland railroad in the city of Oakland through Alameda county to a point near Vallejo's mills, with a view to connect with the proposed Western Pacific railroad then being surveyed from San José to Stockton. The first board of directors was constituted by B. C. Horn, president; Timothy Dame, treasurer; George C. Potter, secretary; William Hayward, J. A. Mayhew, J. B. Felton, and E. M. Derby. The length of the road was about twenty miles, and the capital stock \$750,000, in 7,500 shares of \$100 each. There were immediately subscribed \$30,500, by the above-named directors, and B. F. Mann, George Goss, A. L. Morrison, and Robert L. Harris; and the legislature authorized the county of Alameda to subscribe, with the consent of the taxpayers, \$200,000 of the capital stock of the company. The principal owner was A. A. Cohen. The road was opened for travel on the 25th of August 1864, from Alameda point five miles, and to Haywards, sixteen miles, in June 1865; but was not completed to a junction with the Western Pacific until a year or two later. It was a substantial, well-constructed road, and passed through a rich agricultural region. This road was connected with San Francisco by a ferry from Alameda point, by means of a fine, strong, and swift steamer, the *Alameda*, one of the most elegant ferry-boats in existence at that time. Another boat was fitted up as freight carrier, upon which several loaded cars were run, and discharged in San Francisco. This arrangement lasted for about a month, when connection was made with the Oakland railroad company's road and ferry.

The San Francisco and Oakland railroad company was of older date than the Alameda company, but belonged principally to the same stockholders, and was managed by some of the same directors. Sub-



scriptions were first taken about the middle of December 1861, and the road, which was but five miles in length, ran from the Oakland point through the town of Oakland to Clinton slough, on its eastern boundary, to which point it was completed in August 1863. A ferry-steamer, called the *Oakland*, connected this road with San Francisco.

Previous to the opening of this railway, the steamer ran up San Antonio creek three miles from its mouth, making the route from San Francisco ten miles, and taking fifty minutes to Oakland, which was seven miles. Two boats could only make five round trips a day, which was not enough to accommodate the increasing traffic. In order to expedite business, a wharf three quarters of a mile long had been erected a mile north of San Antonio creek, which extended out to deep water, shortening the distance to be travelled by boat to five miles, the cars of the Oakland railway running to the end of the wharf. By this arrangement the number of trips was increased to ten in 1865. "Three cars have been finished, and the locomotive is nearly done," said one of the journals of the time. The directors of the road at this period of its history were J. B. Felton, E. B. Goddard, D. P. Barstow, R. E. Cole, and Samuel Woods; engineer, George Goss.

It was in 1865 that the assignment of the Central Pacific rights under the Pacific railroad act were transferred to the Western Pacific company, and the two became one, that one being the Central Pacific. Soon after the union the Central Pacific began seeking terminal privileges in Oakland. The legislature of 1867-8 passed an act "for the purpose of providing the Terminal Central Pacific railway company with proper depot and commercial facilities," granting the company the submerged tide lands situated in the bay, beginning at a point 400 feet northwest of the northeast point of Yerba Buena island, and extending northwesterly one mile, comprising 150 acres,

with the right of way, 200 feet in width, from this grant to the Oakland, Alameda, or Contra Costa shore, for the purpose of building a bridge or bridges ; conditioned upon the Terminal company establishing a depot upon it for the use of the Central Pacific railroad, or railroads ; a payment of not less than three dollars an acre for the land, and an expenditure of not less than \$100,000 the first year, not including bridges ; and the construction of a first-class railroad between San Francisco, Oakland, and Vallejo within four years, with ferry communication to Oakland ; the avowed object of the Terminal company being to construct a railroad from Vallejo to Yerba Buena or Goat island, to bridge the strait of Carquinez, or construct a tunnel under it, and to connect Goat island with the Oakland shore.

The legislature also passed an act at this session empowering the government to appoint a board of tide-land commissioners, who should take possession of, survey, and map the tide-lands lying under water, belonging to the state, in the city and county of San Francisco, to a point where the depth of water was twenty-four feet at low tide ; and providing that the Western Pacific and Southern Pacific railroad companies should each have granted to them, free of cost, thirty acres of tide-land in the water-front of Mission bay, together with the right of way over the state lands to their termini 200 feet in width, the companies to make their own selection. The only condition coupled with this grant was that the patents were not to be issued by the governor unless \$100,000 should be expended in improvements within thirty months, failing which, this grant should lapse ; but its acceptance should be in lieu of all other grants to either of the companies, in the city and county of San Francisco, at that session. The time allowed in this act was afterward extended two years ; and the conditions of the Oakland grant modified, as will be shown hereafter.

Another terminal organization, which was known as the Oakland Water Front company, was incorporated in April 1868, with a capital of \$5,000,000. Its avowed object was to construct, own, hold, control, and use, wharves, docks, basins, dry-docks, piers, and warehouses, in Oakland and elsewhere; to lease or sell; borrow or lend money; carry on commerce, foreign or domestic; and, in short, transact any business in any way; and to lease, sell, or convey the submerged and overflowed lands in front of Oakland.

This company became possible through an ordinance passed in 1852 by the board of town trustees, granting to H. W. Carpentier the use of the entire water-front for thirty-seven years, with the privilege of collecting wharfage, wharves and docks being erected for that purpose. This remarkable and prodigal bestowal of a town's interests upon a single individual, placed Oakland in an embarrassing position, when the Western Pacific railroad sought a terminus on the water-front, and the city brought suit to recover title. A compromise was effected, the legislature authorizing the mayor of Oakland to make terms. The Oakland Water Front company was the result, and to it was conveyed March 31, 1868, "all the water-front of the city of Oakland," as described in the incorporation act of 1852, being all the lands belonging to the city, lying between high tide and ship channel. The first trustees of the company were H. W. Carpentier, Lloyd Tevis, E. R. Carpentier, John B. Felton, Leland Stanford, and Samuel Merritt. The stock of the company was divided into 50,000 shares, of which Carpentier held 35,000, Felton 5,000, and Stanford 20,000.

On the day following the conveyance to the trustees of this great body of tide-land, they agreed to convey to the Western Pacific railroad company 500 acres, in one or two parcels. On the part of the last-named company, it agreed to construct, or purchase and complete a railroad from this land grant to a con-

nection with its line within eighteen months, and to expend in improvements at the water front \$500,000 within three years. As we have seen, the connection was not made when the Western Pacific opened its line to through travel, but a few weeks later connection was made with the Alameda railroad by a branch, and a drawbridge over San Antonio creek, when the through travel was carried via Oakland.

Alameda celebrated the opening of the Western Pacific to Stockton, and the arrival of the first train from that point September 6, 1869, by erecting flower-covered arches on each side of the track at the station, and connecting them above it with a multitude of flags and wreaths; by the booming of cannon, and the shouts and huzzas of men, women, and children, of all degrees. "Every house that had a flag displayed it; every head that had a tongue joined in the chorus; every heart that could scan the past and survey the future filled with emotion, as the spectre of fire and life came and went."

Oakland celebrated the departure of the first through train for the Missouri river and the east, and the arrival of the first trains from the east, on the 8th of November. Business was suspended, flags floated from every housetop, and were likewise stretched across Seventh street, on which the track was laid, while a triumphal arch was erected at the junction of Broadway, along the crown of which were elevated transparencies bearing mottoes. Among them were the following: "Governor Stanford; the more railing he does the better we like him." "Water Front compromise Oakland's glory." "There is a name that is proudly dwelt on in Oakland's glory—Mayor Felton." "The emigrant train; once drawn by oxen, now by locomotives." "Minimum fares; maximum travel." From San Antonio bridge to Oakland point bonfires blazed, and fireworks hissed and scintillated; a salute of thirty-seven guns was fired. A public meeting in the midst of the rejoicings was addressed by Mayor

Felton who said among other things: "Let us in the future do ample justice to Mr Stanford. The contract made with the company he represents, two years ago, has been fulfilled to-day. They have accomplished their work. Credit is also due to you, who have treated them with kindness and liberality." Thus the Western Pacific was welcomed by the people on the east side of San Francisco bay, whose sentiments were somewhat at variance with those of the inhabitants of the metropolis.







Geo. H. Sisson

## CHAPTER V.

### LIFE OF GEORGE H. SISSON.

COLONIZATION, ANCIENT AND MODERN—ANCESTRY—JOHN BOLTINHOUSE—  
URIEL SISSON—ALLAN SISSON—BOYHOOD AND EDUCATION—WIFE AND  
CHILDREN—MRS SISSON'S ANCESTRY—THE REVEREND EDWARD SCOFIELD  
—ROBERT ORR—CAREER IN CHICAGO—SUCCESS AND DISASTER—MINING  
EXPERIENCE—THE MEXICAN INTERNATIONAL COMPANY—OTHER ENTER-  
PRISES—SUMMARY OF CHARACTER AND CAREER.

IN the republican era of Rome, before luxury and vice had destroyed the grand simplicity of her strong, imperial race, he who established a colony was esteemed as one but little inferior to the gods. Such honors are no longer paid in these modern days, when each man considers himself at least the equal of his neighbor—and so indeed he may be until one out of the ordinary mould is needed. Except for its wars and its affairs of state, the history of this great republic of the west consists mainly of the annals of its various colonies and settlements, for apart from those annals it has no great store of historic data. And yet in this process of colonization and settlement, what marvels have already been accomplished even within the lifetime of the present generation! There are thousands yet living who can remember the time when there was not a single railroad, a single line of telegraph, or even a newspaper in all the vast region west of the Missouri, while to-day the news of the great world is flashed almost simultaneously to New York and San Francisco, and the press, if guided more by its business interests than by a sense of duty and responsibility, is

nevertheless the greatest of all human agencies in its power for good or evil.

It is impossible to conceive a more worthy ambition than that which prompts men, not merely for self-aggrandisement, but for the well-being of their fellow-man, to withdraw from the crowded centers of population those whose life is but a weary and hopeless struggle with poverty, and to place them in a virgin and almost unpeopled land abounding in resources and opportunities. Many such colonies have already been formed, not only in the United States domain from the Atlantic to the Pacific, but in various parts of the sister republic of Mexico. Some of them have flourished and become commonwealths, parts of a great nation, while others, through dissension and mismanagement, fell into decadence. Among the most remarkable prizes, in some respects the greatest, and for a time the most successful that the world has ever witnessed, is that of the Mexican International company, founded in 1885 by George Hamilton Sisson. What might have been the outcome of its vast and comprehensive system of colonization had the founder remained in control of its affairs, cannot of course be conjectured; but the reader who may follow me, while narrating the incidents of his remarkable career, will find that in him are blended all the qualities needed for the highest possibilities of human achievement.

Sisson, or, as in the French, Soissons, is the name of a prominent family whose lineage can be traced back to the days when Harold of England succumbed to the superior prowess of the Norsemen, and the proud dynasty of the Saxon monarchs, succeeding the domination of the Cæsars, disappeared forever from the page of history. In New England we find its members among the earliest of the Puritan settlers, most of them engaged in mercantile pursuits, though well represented in the Revolutionary war and the war of 1812. On land and sea they did their share of fighting, especially during the privateering days when

Paul Jones and his immortal crew struck terror even into the hearts of British sailors.

Among those who served in the war of 1812 was John Boltinhouse, Mr Sisson's grandfather on the mother's side, who was born in 1793, on the Van Renssaller grant, a few miles from Albany, New York, joining a regiment of light dragoons, which formed a portion of Scott's command, he was severely wounded at the battle of Lundy's Lane, and among all the combatants none were more esteemed as a tried and gallant soldier. Still more valuable were his services in important secret missions, in which from his knowledge of the country he rarely failed of success.

On returning to civil life he became interested in a stage line, whose route across the Alleghany mountains formed the main outlet for westward-bound travellers. As a pioneer in western New York, in the mountain regions of Pennsylvania, and later in Ohio and Michigan, the narrative of his adventures and countless escapes from Miamis and Pottawatomies surpasses in interest the most thrilling of Cooper's romances. His skill as a marksman, no less than his quaint and humorous sayings, made him almost as famous as was the great Leatherstocking himself, whom, indeed, in form and features, he closely resembled; for he was tall of stature, slender, lithe, and sinewy as a greyhound, with grave and impressive features, on which were stamped the will-power, endurance, patience, and watchfulness in which he excelled all the frontiersmen of the west.

To his grandson he related that only once in his lifetime did he know the sensation of fear, or indeed the meaning of the word, except for a faint notion of what it might signify to others. While on his way home one dark and gloomy night, passing under the low overhanging branches of a huge oak, he was startled by the unearthly note of a screech-owl. So doleful was the sound, so strange and unexpected, that it seemed to him as the cry of some demon of



the air, and for a moment the chill of fear possessed him. Never before or since, whether among savage beasts or more savage Indians, did he betray the slightest alarm, and assuredly, from the days of his childhood until the day of his death, there were none who doubted his courage. "Nothing," says Thoreau, "is so much to be feared as fear; God himself likes atheism better."

More than once indeed his firmness was put to the test. Returning to his cabin late at night, he heard his name several times repeated by a voice which appeared to come from the skies. It was that of his wife, who had been surrounded by a band of wild hogs, and forced to take refuge in the branches of a tree. On another occasion he found his dwelling barricaded and around it a pack of famished wolves, snapping and tearing at the doors and windows as they tried to force an entrance. For years his homestead in Cass county, Michigan, was surrounded by nomad Indian tribes, who lived by the chase, and were by turns peaceful and warlike. Here were born his four sons and his three daughters, of whom the eldest was the mother of Mr Sisson. Of Uncle George, the eldest son, Mr Sisson relates that he has seen him at a wrestling bout vanquish five Indians in succession, the last one a chieftain whose dignity was so grievously ruffled that he attacked him with a knife. He was quickly subdued, however, in true western fashion by Uncle George, whose strength and agility was the pride of the neighborhood. For his skill and physical prowess the elder Boltinhouse was no less noted, and within a radius of fifty miles was considered the best mower and reaper, and proficient, indeed, in all the duties of his varied life. At his death, at seventy-two, his remains were interred in the churchyard of Camp Point, in Illinois, whither in his later years he had removed, the neighborhood of his former residence being too thickly settled for the tastes of this grand old frontiersman. His wife,

née Elizabeth Hall, to whom he was married in 1820, still resides with her daughter-in-law at Mishawaka, Indiana, and up to her ninetieth year retained her health, and except for a dimness of sight, the full possession of her faculties. The few grey hairs which threaded with silver her raven locks could almost be counted, and so remarkable was her memory that her friends and neighbors appealed to her as one infallible as to the dates of births, deaths, marriages, and matters of family history.

Uriel Sisson, George's paternal grandfather, married at an early age Elizabeth Salisbury, who belonged to a branch of the Salisbury family which plays so prominent a part in the history of England. Soon afterward he settled in Saratoga county, New York, where he engaged in farming and merchandising, removing about 1837 to Michigan, where within a few years he was buried with his wife and four of his grandchildren under the live-oak trees of the farm which still remains in the family.

Most of Mr Sisson's ancestors on the father's side were sea-faring men from New Bedford, Mass., being engaged in the whale fisheries as the owners or commanders of merchant vessels. They were a stout-hearted and God-fearing race, several of them making voyages around the world of from three to five years duration, and filled with adventures of thrilling interest. In one of their voyages the low latitudes of the southern seas were entered, where for weeks they were ice-locked, their experiences reminding us somewhat of the incidents related in Cooper's *Sea Lions* and Russell's *Frozen Pirate*. In their log-books a curious intermixture of pious phraseology appears in the daily record of events, as "On the 19th of March 1785, in latitude thirty-two degrees south, and longitude twenty-seven degrees forty minutes west by the grace of God we saw a whale." Thus they lived and toiled in all the grand simplicity of their nature, respecting themselves, respected by others, and with

implicit faith in an all-wise and bountiful providence. "To found the New England colonies," says a well-known historian, "the almighty sifted three kingdoms," and of such material were the forefathers of Mr Sisson.

Allan Sisson, his father, was born on the 5th of July 1800 at Quaker springs, in Saratoga county, New York. In early manhood he engaged in mercantile pursuits, at about the age of thirty-six, joining one of those bands of adventurous spirits which were ever pushing westward, he settled in southern Michigan. Here he soon brought into a high state of cultivation a large tract of land, and continued farming on a large scale until compelled by a severe attack of rheumatism to betake himself to some less arduous calling. Removing to Mishawaka, Indiana, he became interested in a corporation established in 1837, and still in existence, under the style of the St Joseph iron works—the pioneer establishment of the kind in the west. Some of its stock, still in the possession of his son, is treasured as an heirloom. By this company two large furnaces and two saw-mills were erected, with a foundry, factories, machine and work shops for agricultural and other implements, a general store, and a number of dwelling-houses. They were indeed the owners of the greater portion of the town-site, and by them the wilderness was developed into a thriving and prosperous town.

Largely by the aid of Allan Sisson were established several of the leading methodist episcopal churches in Indiana, where also he was one of the founders of the Asbury, now the De Pauw, university, in which the son holds a scholarship in perpetuity. His house was a common meeting-ground for the methodist ministers of the circuit, who looked upon it almost as a home. Here was dispensed true western hospitality : and that any clergyman, passing within twenty miles of the Sisson mansion, should not at least call there for

a visit would have been regarded almost as an affront. From 1840 until his decease, in August 1868, he was one of the class-leaders of the church; and none were more liberal in their contributions to its charities, whether in the giving of alms for the building of parsonages, schools, and colleges, or for the publication and free distribution of religious books and periodicals.

During the anti-slavery agitation he subscribed freely in aid of the emancipation movement, and was one of the managers of the so-called underground railroad, for the assistance of fugitive bondsmen. During the civil war he devoted almost his entire income to the cause of the union, for the support of her armies, for the care of the sick and wounded, and for the relief of widows and orphans. Though holding secession in abhorrence, when peace was restored his sympathy was touched by the awful desolation of the South, and his hand among the first to relieve its distress. There were none who detected more readily the fallacy of the arguments in favor of secession; none whose tongue or pen did more to crystallize northern sentiment and bring the matter to an issue.

In all enterprises tending to develop and build up what was then known as the great west, he had a large and varied experience, and there were few who could fathom the depths of his resources or gauge the bounds of his information. In business matters he followed always the simplest and most direct methods, and so keen was his sagacity, so unerring his judgment, that his advice was sought by hundreds, who accepted his dictum almost as the response of an oracle.

With all the tenderness and sympathy of a woman, he combined remarkable firmness of will and strong tenacity of purpose. In few men were more happily blended the *suaviter in modo* with the *fortiter in re*. Though slow to anger, when once aroused his wrath was such as few would care to encounter, and before

the glance of his eye the boldest were wont to quail. He was one who knew his rights and dared maintain them, for in him was none of that yielding nature which to the hand that smites one cheek turns the other, and which fears to assert itself against aggression of whatever nature or from whatever quarter. Of striking and dignified presence, six feet in stature, erect and graceful in carriage, he was gifted with rare physical powers; there were few of his employés who could perform half the work he daily turned off with ease. But for an accident, followed by a paralytic stroke, which in his sixty-ninth year brought his career to an untimely end, it is probable that he would have lived to a very advanced age, for his habits were beyond reproach, and his vigor but slightly impaired. Among the tributes to his memory was the endowment at the Northwestern university of the Allan Sisson chair of physics.

To his second wife, née Nancy Leonard Boltinhouse, Mr Sisson was married on the 17th of December 1840. A native of Canandigua, New York, her natal day being the 20th of January 1821, when six years of age she removed with her parents to the site now occupied by St. Mary's in Ohio, then on the frontier of the Indian country, and as yet a wilderness, infested by savages and beasts of prey. From St. Mary's the family migrated still farther westward, into the wilds of Michigan, and at Edwardsburg, in Cass county, the wedding was celebrated.

Some years after her husband's decease she married John McMichael, a well-known citizen of Mishawaka, where in her pleasant home, surrounded by friends and in the enjoyment of every comfort, she could look back in her declining years on a lifetime devoted to the service of her maker. Throughout that lifetime her household has been a haven of refuge for all who were overtaken by sickness or distress. Many are those, moreover, whom she has educated entirely



at her own expense, and to whose prosperity she has contributed in numberless instances, by establishing them in homes of their own, by words of advice and cheer, and by more practical aid. Her protégés were numbered by the score, and in all southern Michigan there was no one more respected or beloved. Up to her seventieth year she preserved strong traces of the rare personal attractions for which she was noted in her earlier days, in her erect and graceful figure, her refined and delicate features, her clear, blue eyes, and her soft brown hair, silvered only here and there with threads of gray.

Such were the ancestors and such the environment in which George Hamilton Sisson passed the years of his childhood, his birthplace being the farm in Cass county, and the birthday the 5th of February 1844. His two given names were bestowed in token of the kindly feeling which his father entertained for two of his most intimate friends. They were the brothers George and Alexander Hamilton Redfield, who about the year 1836 removed from what was then the western frontier of New York and later formed the southern portion of Michigan. Here and in northern Indiana gathered a few years later some fifty families from the northern section of the empire state, and especially from Saratoga county, forming indeed a colony or series of colonies, retaining all the close intimacy and friendly relations which had marked their intercourse in the homes of their fatherland.

Looking back to the dim recollections of early childhood, the man remembers first of all the unbroken solitude of the forest, the rough country roads, the coming and going of nomad Indian tribes, whose appearance caused a hurried retreat within the shelter of the log-house, and the occasional tornado, whirling high into the air the dead leaves and branches, in a column which appeared to reach to the very heavens. He remembers, also, the hum of

machinery on the St Joseph river, where the iron works at Mishawaka were in full blast when he was three years of age, and the little blind path that led from his home to the school-house, hidden in the woods, where a year later he began in earnest his studies. He remembers the family's removal from the north to the south side of the river, and into a more pretentious dwelling, surrounded by a beautiful garden. Soon his father acquired what was then regarded as wealth; he was surrounded with every comfort and luxury, and with troops of friends, to whom his residence was for years a house of entertainment. Here the youth's time was passed for the most part in hunting and fishing, in horseback riding and outdoor sports, for which he had all the keen relish of a healthy and spirited lad, and was permitted to indulge without stint in his earlier youth. To him Michawaka seemed as a great city, and that there was any greater he was all unconscious, until at the age of ~~twelve~~ he paid a visit to Detroit. Well does he recall the astonishment with which he gazed on what seemed to him its endless lines of streets, its stately and towering edifices, its crowded sidewalks, and its one broad avenue through which carriages and wagons rolled in one unbroken procession. This was in 1856, when Detroit was little more than a village, though already acknowledged as the queen city of the lakes, her fame not as yet eclipsed by the huge metropolis of Illinois.

Until his eighteenth year he saw nothing more of the outside world, save such of the settlements in which his youth was passed, as Mishawaka, Elkhart, and South Bend—the last the county seat of St Joseph—containing more than a thousand inhabitants. While attending school at Mishawaka, he saw the first locomotive and the first train of cars pass through the town on the track of the Michigan southern and northern Indiana railroad, the pioneer line of the west. The school-house was within a hundred yards of the

track, and as the train swept through the town, the teacher of his class was requested by his pupils to procure a brief intermission from the principal. But no sooner was the teacher's back turned than the room was deserted, each youngster following the train for a mile or more on its way, until finally it disappeared from sight.

Thus were passed the days of boyhood, and his twentieth year saw him a tall and slender youth, but with a vigorous constitution, and a vast fund of energy, a worthy ambition, and the intelligence, education, and adaptability to take advantage of his opportunities in life. In his home reigned peace and comfort, with a strong religious atmosphere pervading the associations of his early life. Either by inheritance or from these associations, and perhaps also from being an only child, he acquired a certain tinge of melancholy, which with advancing years grew to be a part of his nature, and never entirely forsook him. But this feeling never developed into despondency. It was rather a vague, undefined sensation of regret, without knowing what it was that gave him cause for regret. Except for this constitutional tendency his life was a happy one, though filled with an intense and ceaseless longing to go forth into the world and make for himself a fortune and a name.

So great was his eagerness to begin the battle of life, that between his twelfth and fifteenth years his father gave him charge of the ore and charcoal departments of the furnaces at the St Joseph iron works. This experience he turned to excellent advantage, acquiring a thorough knowledge of metallurgy in all its branches, and to this he owes in part his later success as a miner.

Meanwhile he attended school during a portion of each year, though it was not until the age of fifteen that his education began in earnest. He then became possessed with a consuming thirst for knowledge, with an eager desire to make himself master of all branches

of learning that lay within his reach. Within two years he had completed the entire course at the Mishawaka academy, and had also prepared himself for admission into the sophomore class at college. Thereupon he entered the Asbury university, where in little more than half the allotted time he finished his studies, though with an intermission caused by failing health. Mathematics was his favorite subject; but in other branches he showed himself no less proficient, in all of them displaying a remarkable facility for reaching at once the pith and essence of the matter, stripping it of all superfluities, and grasping in a moment, almost by intuition, what others could only acquire after hours of toilsome application.

This facility, coupled with an extremely retentive memory and the studious habits which became to him as a second nature, were of the utmost service in after life. Says an intimate friend, a well-known lecturer and writer on medical science: "When he decided upon engaging in any new enterprise, that is, new to him, whether it was the development of a mine, the building of a railway, the forming of a steamship line, or the founding of a city, he immediately put himself in communication with the most experienced men in that line of business, secured all the best literature published on the subject, and quickly made himself master of all the knowledge attainable in regard to it. The knowledge thus acquired remained with him and became a part of himself."

The university has been of the greatest assistance to many who otherwise never would have been heard from; but a collegiate education alone, without the necessary attendant qualities of mind and morals, never yet made a true and efficient man. In the case before us it is certain that the influence was very beneficial. What George Hamilton Sisson would have been without his college experiences we cannot tell; but with his native ability, his refined mind and lofty

ambition, that he would have made himself distinguished in some direction we may be very sure. There are qualities which, cover them as you will, are certain sooner or later to disclose themselves—qualities which force conditions rather than wait opportunity. Nevertheless it is doubtful if without that training, without the intellectual power, the power of application, the versatility of resource, and the full development of the faculties which it aims to secure, it is doubtful if Mr Sisson's career, however successful it might otherwise have been, had not fallen short of its early brilliant performance, and its later brilliant promise. It is not alone by material success that the advantages of a college education should be measured, and assuredly Mr Sisson would be the very last one to place upon it so low an estimate. Rather does he share the sentiments of James Russell Lowell, who in his oration at Harvard on the 8th of November 1886, the 250th anniversary of its foundation, said :

“The tendency of a prosperous democracy—and hitherto we have had little to do but prosper—is toward an overweening confidence in itself and its home-made methods, an over-estimate of material success, and a corresponding indifference to the things of the mind. The popular ideal of success seems to be more than ever before the accumulation of riches. But these, divorced from culture, that is from intelligent purpose, become the very mockery of their own essence, not goods, but evils fatal to their possessor, and bring with them, like the nibelung hoard, a doom instead of a blessing. I am saddened when I see our success as a nation measured by the number of acres under tillage, or of bushels of wheat exported, for the real value of a country must be weighed in scales more delicate than the balance of trade. The gardens of Sicily are empty now, but the bees from all climes still fetch honey from the garden plot of Theocritus. On a map of the world you may cover Judea



with your thumb, Athens with a finger tip, and neither of them figures in the prices current, but they still lord it in the thought and action of every civilized man. Material success is good, but only as the necessary preliminary of better things. The measure of a nation's true success is the amount it has contributed to the thought, the moral energy, the intellectual happiness, the spiritual hope and consolation of mankind. There is no other, let our candidates flatter us as they may.

"The most precious property of culture and of a college as its trustees is to maintain high ideals of life and its purpose, to keep trimmed and burning the lamps of that Pharos, built by wiser than we, which warps from the reefs and shallows of popular doctrine. In proportion as there are more thoroughly cultivated persons in a community will the finer uses of prosperity be taught and the vulgar uses of it become disreputable."

The term of Sisson's attendance at the Asbury university was almost coincident with the four years' struggle of the civil war in which, to his abiding regret, he was prevented from taking an active part. No sooner did Lincoln issue his first call for volunteers than he at once resolved to tender his services; but so bitter was the grief of his parents, who now seemed to have only himself to live for, that he postponed his enlistment until the following year. While at college he was enrolled as a recruit, but on his way to be mustered in, hearing of his father's accident, which already threatened to prove fatal, again deferred his purpose. A third time he made the attempt, and a third time was persuaded, as an only son, to yield to the entreaties of those who loved him better than their own life. Some service indeed he saw, such as was incidental to border warfare, aiding among other expeditions in driving Morgan and his followers from Indiana, suppressing in that

state a number of rebel gatherings, and receiving the title of major. In the care of the wounded, moreover, in aiding the sanitary commissions, and contributing freely of his time and means, he rendered good service to his country.

During the cessation of his studies, caused by feeble health, he would not allow himself to remain in idleness, and never indeed at any period of his life did he know the meaning of the word. To him work was no burden, but rather a necessity of his existence, and to some worthy purpose his tireless energy and activity have been constantly directed. Knowing full well that a student can never become so thoroughly master of his subject as by teaching it, he now accepted the charge of a country school in a spot then known as the Thick-woods, a few miles to the south of Mishawaka. From the county commissioners he received, after passing his examination, a certificate of the highest grade, and for the ensuing winter term of four months conducted the school with such ability and zeal that the trustees offered him a permanent position, urging him to become a professional teacher. But the pedagogue, like the poet, is born and not made, and to such distinction Mr Sisson did not aspire. Moreover, he was well aware that the qualities which win success as a teacher would raise a man to eminence in almost any calling in life, and already he had selected the law as his vocation. In the former profession he would doubtless have risen to a foremost rank, for he had a special facility for imparting knowledge, was an excellent disciplinarian, and above all had the faculty of arousing the enthusiasm of his pupils.

But it was among men that, in later years, he was destined to inspire enthusiasm, the enthusiasm of his own convictions; for the force of honest conviction is almost omnipotent, and few there be who can withstand it. By others he is universally acknowledged as one fitted by self-reliance, courage, firmness of pur-

pose, and strong personal magnetism to become their natural leader. And yet it has often been remarked, even by men of known ability and experience, that they are unable exactly to trace the influence which has made them conform, not unwillingly, to his views, and to render him involuntary homage.

After completing his term at Thick-Woods and also his studies at the Asbury university, Mr Sisson entered the law office of Stanfield & Anderson, at South Bend, then the leading attorneys in northern Indiana. The following winter and spring were spent in the law school of Ann Arbor, Michigan, where he reported all the lectures, attended the moot courts, and faithfully performed such other duties as fell to his lot. The summer he passed at home, where he continued his studies, and in the autumn entered the Albany law school in connection with the Hamilton college in New York. The former was then under the management of Amos Dean, acknowledged as the most able lecturer of his day, assisted by senators Ira Harris and Amasa J. Parker, both of them already famous in legal and political circles. Here, after a single year's study, he graduated with the highest honors, and receiving his diploma returned in May 1867 to Mishawaka.

And now a brief digression is necessary, to relate one of those experiences which occur to most men, once at least, in a lifetime. While attending the Asbury university Mr Sisson became engaged to Miss Sarah Scofield, a lineal descendant of the Scofields of Scofield manor, in Lancashire, England, of whom was Daniel, the great grandson of Sir Cuthbert Scofield, who took passage for New England in 1839, on board the ship *Susan and Ellen*, forming one of a company which, two years later, settled at Stamford, Connecticut. Among her ancestors also were William and Miles Williams, the former, one of the signers of the declaration of independence, and the latter a

member of the family by whom was founded Williams' college, his son, also named Miles, serving in the revolutionary war, and his grandson, Nathaniel, in the war of 1812. Elizabeth, the daughter of Nathaniel, was married in June 1840 to the Reverend Edward Scofield, whose second daughter, Sarah, was born at Cleves, Ohio, on the 27th of March, 1843, and on the 4th day of June 1867 was married to Major Sisson.

The Reverend Edward Scofield, a native of Norwalk, Connecticut, his birthday being the 22nd of September, 1810, was a man noted for his fervid piety, his simplicity of character, and the earnestness of his convictions. At an early age he set forth for Jacksonville, Illinois, journeying the entire distance on foot, and entered the Jacksonville college, where, in due time, he graduated. He then attended the Lane Theological seminary at Cincinnati, of which Lyman Beecher was president. Here he displayed such proficiency, especially in the classics, that he was appointed a tutor, among his pupils being several members of the Beecher family, including the great divine. His first sermon was preached at Cleves, Ohio, and so vigorously did he advocate the cause of abolition, not only in the pulpit but with the pen, that several times his life was in danger from bands of pro-slavery ruffians. Among the first recollections of Mrs Sisson is the gathering of the family within the shelter of an inner room, while the house was darkened and barricaded, and the battering of rocks and timbers without, and the sound of vile oaths and imprecations, betokened the fury and brutality of the mob. Nevertheless this fearless man of God continued steadfastly in what seemed to him the path of duty, preaching and writing against what he conceived to be the monster crime of his age.

Meanwhile his church continued to prosper, and in the host of his friends were included some of the foremost men of the day, among them General, afterward

President, Harrison, on whose grandson fell the nation's choice in the election of 1888. Several members of his family, both children and grandchildren, were baptized by Mr Scofield, who also preached the funeral sermon over his remains. On the 12th of October 1878 this noble-hearted pastor breathed his last in the arms of his son-in-law, George Hamilton Sisson.

On the maternal side, several of Mrs Sisson's ancestors are deserving of more than a passing mention, among them her great-great-grandfather, Robert Orr the first, a resident of Lancaster county, Pennsylvania, who married the Margaret Donaldson who is accorded a place in history for the touching story of her captivity during the time of the French and Indian war. Leaving her house, in which were her two young children, to procure water from a neighboring spring, her first husband, a Mr Stewart, who accompanied her, was killed and scalped, and herself carried away a captive by the savages. Soon afterward she was sold to the Maimi tribe, by whom she was adopted and kindly treated, following them in their migrations for a number of years, at times over a portion of Hamilton county, Ohio, which later became her home and that of her second husband, Robert Orr the elder.

In 1798 Robert Orr the first, and his heroine wife, Margaret Donaldson Orr, together with their children and grandchildren, numbering in all fifteen souls, left Pennsylvania and came to the spot where now stands the city of Cincinnati. Here Mr Orr the elder died, and was buried in the graveyard whereon now stands the First Presbyterian church. Mrs Orr, the captive heroine, lived until 1824, when she died at the age of ninety-eight years. She was buried in the graveyard near Montgomery.

Robert Orr the second, the great-grandfather of Mrs Sisson, was born in Lancaster county, Pennsylvania, the 4th of January, 1771. He continued to



live many years on the present site of the city of Cincinnati, raising corn and potatoes on what has since become the most thickly populated quarter. A portion of its site, where now are Fourth and Main streets, he disposed of for a wagon valued at \$23. In the year 1800 he purchased a farm of one hundred acres, four miles to the northwest of the future city, on what was afterward known as the Harrison turnpike, where so thick was the forest and undergrowth that a road must be cut through before he could remove there his family. Later he added to it another hundred acres; and here was passed the remainder of his days, his decease occurring on the 7th of August, 1856, in the eighty-sixth year of his age. His descendants to the third generation, eighty-eight in number, still revere his memory, not only as one of the founders of their race, but as one of the noblest pioneers of what was then known as the great west.

In March 1861 the Reverend Edward Scofield removed with his family to Mishawaka, and here resulted that acquaintance, which ripened into affection, between his daughter and her future husband. Within a four-months they were betrothed, though both were still only eighteen years of age. But such was Miss Scofield's faith in Mr. Sisson, and her perfect confidence that he would prove himself worthy of her regard, that for over five years she waited, until he had finished the course of study laid out for himself as essential to success. A few days after taking his degree as bachelor of laws they were married by her father in his own house, then the presbyterian parsonage at Mishawaka.

To the patience, the faith, the courage and sustaining influence of his wife Major Sisson is largely indebted for the success which has crowned his career after many years of struggle and disappointment. To him she has always been in the truest sense of the word a consort, while if at any time she has entertained an unanswered wish, it has never

been expressed. A woman of striking presence, and of rare personal attractions, tall, graceful, and in countenance singularly expressive, her mental and moral qualities are fully in keeping with the form and features, which are but their outward indication. With unusual force of intellect and of character, she combines the utmost refinement of manner and delicacy of taste. Though blessed with a cheerful and sunny temperament, she is of a deeply religious nature, and while by no means what is termed strong-minded, her convictions are strongly marked, not only on religious questions but on all the leading topics of the day. She is gifted, moreover, with a rare insight into human nature, and none can detect more readily the hidden motives that guide the actions and the words of men. Her knowledge of music, painting, sculpture, and domestic arts is supplemented by a thorough acquaintance with some of the sciences, especially with mineralogy, in which her collection of specimens, though kept within the smallest compass, has acquired a world-wide reputation, and is visited by college professors and collectors of rare crystals from every quarter of the world.

Of the four children born by this union—Edward Allan, the 13th of August 1869, Charles Hamilton, the 11th of January 1871, Lucille, the 15th of January 1876, and Genevieve, the 21st of March 1880—all but the last are natives of Chicago, the birth-place of Genevieve being Somonauk, in Illinois. After the removal of the family to California the eldest son attended Trinity school in San Francisco, of which Dr Spaulding was the principal. Here, after a five years' course, Edward graduated in May 1886, and was selected to deliver the valedictory of his year. In the October term of 1887 he entered the freshman class of Columbia college, where, on completing a full classical course he will take his degree in 1891. After receiving his earlier education also at the Trinity school, where he was awarded the

gold medal for proficiency in Latin, Charles' name in 1888 was placed on the books of the same college as a member of the class of 1892. Before entering college the two brothers received a further preparatory training in the Drisler school of New York city, where Charles delivered the Greek oration at the graduating exercises, and gained the first prize for progress in studies. At one of the leading seminaries in the same metropolis the daughters were educated, and as all the children have inherited from their parents a taste for study, coupled with strong intelligence and power of application, we may be assured that they will acquit themselves with credit in the great school of the world, which all must sooner or later enter, as in their career at college.

A few weeks after his marriage Major Sisson began to practice his profession at Mishawaka. Assuredly he possessed the qualifications for a successful lawyer, and not least among them was the fact that he started on his career almost without a dollar. But the fates were against him, and it was not in this direction that he was destined to make for himself a fortune and a name. For his first case he received by way of fee a load of hay, and to the newly wedded couple the prospect of being compelled to live on such a diet appeared so utterly ludicrous that perhaps they were more than repaid by the amusement which it afforded. His next suit was for damages to be recovered from a farmer for shooting his client's dog. Though the jury were convulsed with laughter by his humorous presentation of the matter they decided against him, being instructed by the justice to determine the law as well as the facts, which they did according to their personal bias rather than their convictions.

Thus the major's prospects in his chosen profession were not of the brightest. Moreover the perfect happiness of his married life acted for the moment as a check on his ambition, quenching the keen desire

for a wider sphere of action which had hitherto filled him with worthy aspirations. But it needed only the slightest impulse to arouse his dormant energies, and that impulse was given by his wife. Realizing the situation, and with perfect confidence in her husband's future, she persuaded him to break loose at once from all his home associations, and try his fortune in Chicago.

Hence to the western metropolis in due time Major and Mrs Sisson removed, their worldly effects consisting of the clothing in their trunks, with a few household necessities contributed by their friends, and in money the sum of one hundred dollars. They were strangers in the great city, but with all the confidence of youth and hope, and never for a moment did they feel misgivings. Renting two rooms for housekeeping, they partitioned the larger one, using one portion as a kitchen, the other as parlor and dining-room, and the remaining apartment as a bedroom. Purchasing a few needful articles of furniture they at once made themselves at home, taking their meals for the first few days from the top of a trunk, until a table could be made to suit their means and requirements. Presently their home assumed the appearance of comfort and taste, such as a woman of refinement can create from the simplest appointments. And now they found themselves keeping open house for their friends, especially for the college graduates, many of whom deemed it a duty to pay them a visit. Among the visitors was Mr Sisson's father, who looked around their apartments with a smile of encouragement, but with real anxiety at heart, remarking that he feared they had come there to starve. On bidding adieu he insisted on leaving some money, and with difficulty prevailed on his son to accept a loan of fifty dollars. Of want Mr Sisson had not the slightest fear; nor for a man of his stamp was there any cause for fear, though for a brief space he was not far removed from such a condition.

It was at this time that he began to realize the significance of struggling alone in the ranks of an overcrowded profession, without means or influential friends. Almost unconsciously he was led into other lines of business incidental to his calling, as the care of estates and the loaning of money. For months he toiled with varying success, at times in sorest straits, but never doubting or despondent, and always cheered and encouraged by the sustaining influence and sublime devotion of his wife. Thus, as he himself expresses it, he gradually "dug his way to daylight," and to the success which usually comes to those who work and wait. Soon his rare qualities began to attract attention; his fierce, persistent energy, his steadfast courage, his fixedness of purpose, and continuity of effort. Gradually he gathered around him a circle of real and trusty friends, to one of whom he was specially indebted in this, the crucial period of his life, for counsel, ever welcome, though never obtrusively given, and for the benefits of a rich experience, whose lessons were always at his service. Thomas Wilce, like most of our builders of empire, likewise at the first had his own fortune to create, which he did by means of his own inherent strength and a determined energy, and at this time he was a man of wealth, and greatly honored and esteemed, and holding many positions of trust in the city of Chicago. Though twenty years have passed since last they met, the major is none the less grateful for the encouragement afforded him in a time of trial such as few men are called on to undergo.

Here we catch another glimpse of the beauty and refined texture of Sisson's nature. The average man of the world is so selfish and ungrateful, so ready in his eager race for riches or honors to clutch whatever benefits come within his reach with thankless indifference as to their source that it is refreshing to meet with one so different, so ready not only to return four-fold to the beneficent giver, but through



the kind-heartedness and fraternal feelings thus engendered to be ready throughout a lifetime of good works to confer like benefactions upon others. This is the quality of benevolence which the Almighty extends to all his creatures; it is the essence of Christian charity.

As one of the results of his experience, there is nothing which appeals so quickly to the sympathies of Major Sisson as the sight of a young man striving with difficulties. Many are those whose struggles he has lightened, and whose misfortunes he has relieved. To him who lacked he has given opportunity, starting in business not a few of the most successful merchants of the day. For the sick he has supplied the funds for medical treatment and for travel, and on those in need of an education he has bestowed the means for completing a college course. All this he has done without any trace of ostentation, none but himself and the recipient being aware of his good deed.

From Mr Wilce he received, in return for certain services, the first real token of his approaching prosperity in the shape of a hundred dollar treasury bill. This was to him probably the happiest day in his life, and we may picture the enthusiasm and delight of the young couple at such an unexpected windfall. It was probably the first hundred-dollar note that the wife had seen, and it was certainly the first one that the husband had handled. What they did with it we know not; but we may be sure that the expenditure of this little fortune was attended with more anxious solicitude than was felt in later years in the disposition of millions.

From the nature of his calling Mr Sisson was gradually led into real estate transactions, and once he had learned the mechanism of the business; had acquired the formula by which others conducted their operations, he was at home, and was soon launching forth into enterprises worthy of his enterprise and abil-

ity. Among his first adventures was the purchase of a tract in what later became known as South Chicago, but then valued only as a favorite resort for sportsmen.

This land he subdivided and by a novel method of advertising with hand-bills, which he distributed in person among the operatives passing to and fro between their homes and the factories of the metropolis, he interested the class of buyers whom it was his purpose to secure. Soon his office was crowded from seven o'clock in the morning until nine at night with purchasers of lots; and now, for the first time in his life, he began to realize what it was to make money rapidly and easily. In that vicinity he afterward laid out many hundreds of acres, and it is largely due to his energy and foresight that south Chicago has developed into a great manufacturing centre.

His next transaction was the purchase from Dr Dyer, an old friend of Abraham Lincoln's, of his farm at Engelwood, including some four hundred acres, for which, together with an adjoining tract, he paid at the rate of \$667.67 an acre. Through it ran the Rock Island railroad; but nowhere on the place was there a station or any stopping-place for trains. He proceeded at once to subordinate this agricultural area to suburban uses. First he laid out a park of twenty acres, with a boulevard two hundred feet in width, running through the heart of the property, and connecting with the south park system of boulevards in Chicago. Then he planted thousands of shade trees, built miles of streets and sidewalks, with nearly a hundred dwellings and station-houses. By granting right of way to another railroad to cross the tract on its southern border, he compelled the Rock Island company to stop, according to law, at the point where the two lines intersected. Thus he secured the use of eighteen passenger trains daily, with an eight cent fare to the terminus at Chicago. As the result of his well-directed efforts, a thriving and prosperous town soon occupied the site of Engelwood.

Still another venture was the purchase from the heirs of the Williams estate of a section of land lying to the southwest of the city, but where, as yet, there was hardly a building in sight. Before making this investment he had ascertained that the Danville and Vincennes railroad was to be pushed forward to Chicago. By assisting this company to secure right of way, he prevailed on them to run their line through the centre of the tract, to which were allotted four stations, one to each quarter of a mile. All these properties he disposed of to good advantage, and on the lands improved, subdivided, and sold by him there were ere long living in comfort from fifty thousand to sixty thousand people, many of them on homesteads of their own, secured through the enterprise and liberality of one man. Here indeed is a builder of the commonwealth in the true significance of the word!

While thus assisting others Major Sisson had enriched himself. His income was already computed at \$30,000 a year, and his estate at not less than \$1,500,000—all this within a period of four years from the time he was struggling to gain a foothold in the business world. At the age of twenty-eight he had accomplished results which to most men would appear as marvellous if brought to pass within the span of a lifetime. In the conduct of his vast enterprises he had displayed all the tenacity of purpose, and the calm, unshaken confidence in his final success which had marked the days of his earlier struggles. When once he had formulated a plan, he carried it into execution, step by step, with a patient assiduity which overcame every obstacle, until after years of effort it was brought to fruition, and he saw in successful operation schemes that to others seemed visionary and impracticable.

But now in the very zenith of his prosperity misfortune was to overtake him, and that with a blast so withering that at the time he felt that it were

better had he never been born. The years of inflation which attended the civil war, and followed for some time in its wake, were succeeded by a corresponding shrinkage of values, and a crisis was at hand such as perhaps has never been witnessed since the diastrous panic of 1837. Men foresaw the coming storm—and none more clearly than Sisson—but for that very reason it became impossible to escape it. Every one was trying to realize at a time when there were few buyers, and even in the city of Chicago real estate became almost unsalable. Outside lands, timber lands, mines, and mining lands, in all of which the major had by this time become interested, could not be disposed of at any price, and such sales as had already been effected were largely on credit. Thus in the disastrous days of 1873 he saw his fortune disappear before his eyes, as one might behold his house consumed by fire from rafters to basement. Inch by inch he disputed every step of ground, stubbornly as the immortal battalion of Cambronne amid the rout of Waterloo; but all to no purpose. Of the hundreds of thousands due from others to him he realized less than a single thousand, and with one exception all with whom he had intimate and extensive business relations had recourse to bankruptcy. Thus his own indebtedness, largely increased by the bad faith and indiscretion of his associates, was also swelled into the hundreds of thousands. To seek refuge in insolvency he would not for a moment consent; nor did he even interpose any defense to the pressure of creditors. To his debtors he bore no malice, and so far from urging his claims, when the wheel of fortune turned once more, he advanced to several persons the means wherewith to start anew in business.

Thus weeks and months passed away, weary months of fruitless striving, of suffering, and heart-corroding care. But still another trial awaited him, more painful than all the rest. To save from the general

wreck that sacred precinct, home, he had made a desperate and final struggle. But all in vain; this, too, must go. Never can he forget the day when, taking his beloved wife, he led her down the steps of their dwelling, every room of which was hallowed with happy memories which seemed only to intensify the bitterness of their grief. Their life was here broken in twain, and the severed part lost, while in the pathway of their little ones must here be set up a milestone of misery. Her features were composed, but rigid as marble, and in her tearless eyes shone sympathetic sorrow, while the pale, tremulous lips betokened the suppressed emotion which tore at her heart-strings. Hand in hand they passed forth in silence, as from a grave where a loved one had been laid at rest. It was to them as the bitterness of death.

But, as we have seen, Mr Sisson was not the man to give way to despondency, or calmly to accept defeat. Rather, as did Napoleon, when casting his look of eternal hatred across the English channel, he vowed to wrest victory even from this his decisive overthrow. Leaving in charge of her father his wife and little ones, he set forth for Missouri, where he had still retained an interest in some mining properties—the sole remnant of his princely fortune. Here he toiled, sometimes as a common miner, at others as superintendent, complaining not, but simply working with grim, persistent energy, silent to all but his God, to whom he appealed now in prayer, and now almost in reproach—so hard it seemed to him that his young life should be crushed by this fell calamity. Within a few months he was joined by his family, whom he supported in moderate comfort by the labor of his hands, paying also the expenses of his children's education. Meanwhile every dollar that could be spared was devoted to the payment of his debts.

Four years lasted this period of depressing toil, when finally the burden began to lighten; pressing debts were paid; gradually the clouds were lifted, and



the man emerged once more upon a broader plain of activity with a brighter sky and a clearer horizon. In the inexorable law of compensation it is written that he who does friendly deeds shall himself be befriended. By two of his most faithful sympathizers, who had cheered and sustained him in the darkest hours of his destiny—one an eminent divine and the other a prominent physician—he was encouraged to try his fortune in the mining regions of the west, as a more suitable field for his ability and experience. Here he was successful from the first, and the days of his tribulation were ended. Soon he had accumulated sufficient to cancel all indebtedness—not only his lawful debts, but those which he considered debts of honor—and leave besides a surplus. Though many of these debts were outlawed, and some were never in the nature of legal obligations, he paid in several instances from three to five times the sum which formed the basis of his original contract. By this manly and generous policy he has retained to this day the warm friendship of those whose interests he protected during the crisis; and among his firmest supporters are the bankers who, after holding his securities for years, have long since received in full the principal and interest of their loans.

But we have a yet more striking instance of his rare integrity and sense of honor. On the eve of the crisis he assigned to one of his partners a large amount of property, wherewith to pay certain debts in the line of business in which he was his associate. The latter taking a dishonest advantage of the situation went into bankruptcy, after first protecting his own friends and leaving those of the major entirely unprotected. Even this indebtedness he repaid, though virtually meeting it for the second time. Truly no bond can be better than the mere word of such a man.

Of the further mining operations of Major Sisson brief mention must here suffice, for to still more

important transactions must be given the remaining space allotted to his biography. In several of the territories, and especially in Arizona and New Mexico, he has caused the investment of more eastern capital than any one living, or who has lived, among its world-famous mineral lodes. As the result of legitimate mining he has also gathered a larger share of their riches than those whose fabulous wealth, acquired in the Tombstone and other districts, has dazzled the wonder-stricken multitude. Many of the most valuable mines in Arizona owe their productiveness solely to his efforts. A score at least he has developed into paying properties from the grass roots to a depth of many hundred feet. Their total product already reaches far into the millions, one of them, which the major sold for \$720,000, and which long continued to produce largely, being later valued at \$2,000,000.

Not only as a miner has Major Sisson contributed more than any living man to the material development of Arizona, but by his personal investments, by his confidence in her resources, widely diffused through his writings and reports, has added many thousands to her population. As an instance may be mentioned the mining town of Globe, which he found almost deserted, its population reduced to three hundred, and its merchants packing their goods for removal to more promising markets. Within three days he had made up his mind that here was a rich mineral region, and urged the people to remain at least until he had time for further investigation. To this they consented, and as the result the town contained, within a year thereafter, nearly two thousand inhabitants, with mills and furnaces in operation, and a bullion output of more than \$100,000 a month. In other camps, as Clifton and Leadville, and in other territories he was equally successful, infusing new life into many a half-abandoned settlement, and disclosing wealth where none had been suspected.

And now in the year 1880, all his obligations redeemed, with a brilliant and stainless record, and a reputation beyond reproach, George Hamilton Sisson is again in possession of a princely fortune. Still a young man, but thirty-six years of age, he has already accomplished that which only genius attended by application can accomplish. But here he is not content to rest. Even now we find him looking around for new and wider spheres of operation, with the confidence born of his hard-won success, and the courage to undertake anything within the possibilities of human achievement. About this time his attention is turned toward the south, as a country whose undeveloped resources and liberal colonization laws offer unusual inducements to enterprise and capital.

It was in 1881 that his first visit was made to Mexico, his object being the examination of a large sulphur deposit, of the value of which he was quickly assured. During this trip he gathered a large fund of information as to the sister republic, and he resolved to make a thorough study of its resources and possibilities, with a view to future operations. This knowledge he readily acquired, less from books than from personal investigation, for of all living men there are none more apt and active in this direction. Says one who well understands his character: "If he wished to gather information in regard to a matter he would go into the proper neighborhood, and by holding a few minutes' conversation with one and another would find out in half a day and from the most reliable sources more than anyone else would be likely to ascertain in a week. And yet no one would know the object of his visit unless he chose to tell them."

After several expeditions into Mexico the major's first impressions were confirmed, and he was fully convinced that our neighboring republic offered even better advantages than the most favored sections of our own. Gradually his interests were transferred over the dividing line, where the bulk of his ample

fortune remained invested. His first acquisitions were a number of gold and silver mines in the state of Sonora, followed by the purchase of copper mines, of which he retained permanent ownership. He then secured a series of concessions from the general government, embodying all the guano deposits on the islands adjacent to the Pacific coast. Thereupon he organized in San Francisco, in 1884, the Mexican Phosphate and Sulphur company, and began shipping guano to that port and also to Hamburg. By 1889 these shipments amounted to 50,000 tons, with an aggregate value of \$1,500,000.

Major Sisson was now about to enter upon what might be deemed thus far the crowning enterprise of his career, and one of such gigantic proportions as none but a man of his constructive genius, his rare powers of combination, his sound, practical judgment, and his remarkable facility for controlling men and affairs, could have ventured to undertake, much less have carried to a successful issue. In this connection it may be further remarked that in none of his mammoth undertakings was anything left to chance or to the hazard of speculation, all his plans being carefully matured and formulated before taking palpable shape. "Although a bold and fearless operator," remarks an intimate friend, "he is in no sense an enthusiast, but a cool, deliberate, and most unerring calculator, and submits all his operations to the most rigid tests of facts and figures, both as to immediate and remote, to apparent and possible, results. He is, therefore, never the victim of new revelations, unpleasant surprises, except as the result of craft or treachery. These elements are so foreign to his own open, candid nature that he is unprepared for them in others.

"When in doubt as to which one of two methods that presents themselves it would be wiser to adopt, his invariable rule is to reject both of them. He is therefore a safe leader, who never treads on uncer-

tain ground. Few men can grasp a situation as readily as he can; few men have his sublime courage and daring; few men have the same power to inspire others. He is a born leader of men, and the world will be the wiser and better for his having lived in it. The 'silent might' of the gigantic enterprises he has inspired, and is continuing to inspire, gives to states and governments a strength and grandeur surpassing that of standing armies or brilliant statesmanship."

Within recent years the government of Mexico, with a view to increase her population, has granted subsidies to individuals and companies for purposes of colonization, most of them in the form of large land grants, with exemptions from taxation, such as may attract a desirable class of settlers. Especially does the colonization act of 1883 invite immigrants from friendly nations to settle in a new country rich in everything that can contribute to their comfort and happiness. This measure provides for a most liberal distribution of public lands, and, taking advantage of it, numerous colonies have been established in the several states. By the provisions of the constitution the right of citizenship is bestowed on all foreigners owning real estate or having children born within the republic, and that even without the renunciation of their former nationality. They are allowed, moreover, for a term of twenty years, the privilege of importing, free of duty, all such household and personal effects, farming implements, seeds, live-stock, and tools or instruments for trade or profession, as may be required, with all building materials and machinery for manufacturing purposes.

Partly by purchase, and partly by contract with the Mexican government, the major gradually acquired large areas of land, his concessions giving him the right to secure in fee-simple no less than 54,000,000 acres in certain of the states and territories, wherever he might select them from the public



domain. For the various enterprises connected with these vast estates, as the founding of settlements, the laying out of farms, irrigation works, and the building of roads and bridges, he furnished all the capital and owned four fifths of the stock, the remaining fifth being given to certain friends whose services he wished to secure for definite purposes. For two years these improvements were carried on under his own supervision, and mainly with his own resources; then it occurred to him that an enterprise of such magnitude should not depend on the life of a single individual, but should have a corporate existence, so that in the event of death his plans would still be brought to their consummation.

Hence, in March 1885, he secured by special charter, under the laws of the state of Connecticut, the organization of the International Company of Mexico, with its headquarters at Hartford, its treasury at New York, and later, with offices in London, Hamburg, San Francisco, Mexico, and other leading cities in the Mexican republic. To this he deeded, or caused to be deeded by his associates, all their interests in Mexico. With a view to incorporating on a permanent basis, he gave to each individual of the new association, without any personal consideration, certain shares of the company's stock. Though all the officers were men of ability, some being possessed of ample means, they knew so little of the real scope of the enterprise that the entire direction of affairs was left with Major Sisson; nor was it an easy task to bring home to his associates any adequate idea of the magnitude of the undertaking,

The capital stock, which was originally \$1,000,000, was increased to \$20,000,000, and in addition to the parent company, six others were incorporated as auxiliaries, each with a capital of from \$1,000,000 to \$5,000,000. They were the guano company, two railroad companies, a fibre company, a warehouse and pier company, each being made the agent for the

development of the various enterprises that fell to its lot. The sole consideration was a general agreement that such funds as were required should be raised by the several corporations. Thus matters progressed smoothly and rapidly for the space of two years or more, during which time a vast area of territory was acquired, partly in Lower California, and partly in the states of Sonora and Sinaloa.

In Sonora the concessions included all the public lands in seven of the nine districts, in Sinaloa about one fourth, and in Chiapas five sixths of the entire public domain. They conveyed, moreover, the right to build a railroad from San Diego, or any adjacent point, to Ensenada, with another line thence to Fort Yuma, and with a branch running to the head of navigable water in the gulf of California, and eastward to Chihuahua. For all these lines a subsidy was granted of \$12,000 per mile, with the same subsidy for a road to be built from San Benito across the head-waters of the Grigaelba river, a distance of only 180 miles, but forming a link in a transcontinental thoroughfare 1,250 miles shorter than any between New York and the Pacific coast. Another concession was for running a steamship line from San Diego or any other United States port down the Mexican-Pacific coast, calling at twenty Mexican ports, and with its terminus at San José in Guatemala. This also carried with it a subsidy of \$8,000 for every round trip, together with \$50 for every foreign emigrant over seven years of age, without restriction as to number. In the guano trade the concessions were extended to all the guano on the Pacific shore of Mexico and in the gulf of California. Finally, in Sonora the sole right was given of using for a term of fifty-five years the waters of its principal river for purposes of irrigation.

In Lower California the company's lands were in the northern portion of the peninsula, commencing near the thirty-second parallel of latitude, a few miles

south of the boundary line, and thence extending southward for nearly 300 miles, with an average width of 100 miles, and bounded on the east and west by the gulf of California and the Pacific ocean. The climate of this region is all that could be desired, with an average temperature of about  $76^{\circ}$  in summer and  $55^{\circ}$  in winter, the temperature at Ensenada never rising as high as  $100^{\circ}$  or sinking below  $40^{\circ}$  of Fahrenheit. In many portions the soil is favorable to the production of grain and fruits, and in every month of the year garden vegetables can be planted and gathered. Much of the land is well adapted for stock-raising, among the native grasses being wild oats, wild clover, and bunch-grass, with a variety of shrubs in the mountainous districts. Of pine and live-oak there are many thousands of acres, one belt of pine timber being 150 miles in length and several miles in width. Though as yet the mineral wealth of Lower California remains almost intact, it is known to contain vast ledges of gold and silver bearing quartz, while coal, iron, copper, lead, tin, antimony, zinc, nickel, quicksilver, and other metals are found in extensive deposits. All these sources of wealth were at the disposal of the Mexican International company.

To the first colonies established in Lower California, one at Ensenada and the other at San Quentin, were given, in honor of two famous Mexican statesmen, the names of Carlos Pacheco and Romero Rubio. To these gentlemen Major Sisson acknowledges his obligations for the aid extended in securing his concessions, no less than to presidents Diaz and Gonzalez for their strict regard for the conditions of their several franchises, and for their warm interest in the company's welfare.

Operations were begun at Ensenada by making a general survey, occupying over two years, and at a cost of some \$300,000. In Lower California, Sonora, Sinaloa, and Chiapas, in the guano-fields, in the rail-

way and land surveys, and in the steamship service, there were directly employed about 1,000 men, and indirect employment was afforded to about 1,500 in addition. In the survey, with fifteen parties in the field, everything of interest was noted, every spring and running stream, the growth of timber, and the character of the soil. Then came a topographical survey, and that completed, a map was issued, together with a pamphlet describing minutely all the characteristics of the land, so that the intending settler, whether farmer, fruit-grower, stock-raiser, or whatever his vocation, could at once select what seemed the most suitable location.

During the years in which Sisson held the control of affairs, more than 4,000 colonists were settled on the company's lands, securing thence a comfortable livelihood, while in Europe 7,000 families had promised to join them as soon as homesteads could be prepared. Railway and other surveys were carried on, more than thirty engineer corps being kept in the field, in the several states named, and almost completing the survey of the entire domain. Several hundred workmen were constantly employed in erecting dwellings to the number of 600, with hotels, churches, school-houses, warehouses, and piers, in the laying out of 200 miles of streets and roadways, and in the planting of many thousands of shade-trees. Farms were cultivated by way of experiment; water supplied for irrigation and domestic use; a fleet of steamers was built or purchased, for which wharfage facilities were completed; two newspapers were published, the one in Spanish and the other in English; and in a word nothing was omitted that could prepare the way for successful and permanent colonization. All this Major Sisson accomplished by his own unaided efforts, apart from such assistance as was rendered by his subordinates. He was himself constantly in the field concentrating his entire energies on the work, on the development and

realization of the purposes of the concessions in the hope of retaining in his favor the public sentiment of Mexico, not only of her government, but of her citizens. Had Sisson remained in charge, it would be impossible to foreshadow the future of this great and beneficent enterprise, not only to the promoters, but to the multitudes for whom homes were being prepared amid such favorable conditions. But this was not to be.

To carry out the plans of the several corporations, all of which had been formulated by Mr Sisson, and were complete in every detail, covering a number of years in advance, it became necessary to raise large sums of money in addition to the amounts advanced from his own resources. At the beginning, the various enterprises had a little more than a speculative value. Their lands, for instance, during the earlier period of survey and segregation from the public domain, were vainly offered both in American and European markets at from ten to forty-five cents an acre. Within two years, when success seemed assured through the unremitting efforts of the manager, and when the improvements already described had given to his project the stamp of permanence, the same lands were in demand at from two to one hundred dollars an acre, the sales in the third year aggregating \$7,000,000. Meanwhile Sisson had placed in the hands of his associates, for the purpose of raising the necessary funds, all the company's securities, now of great value, but a value created only by drawing heavily on his own resources.

During a visit to the home office in New York he learned for the first time that his colleagues, in negotiating their loans, had not only pledged these securities, but had permitted the control to pass entirely out of their hands, and to become vested in the purchasers of their bonds. Not even yet, as it seemed, could they realize the magnitude of the undertaking, and the vast intrinsic value of the prop-



erty. With a carelessness and negligence verging almost on the criminal they had transferred the management of those colossal enterprises to men who knew not even the elementary principles of their organization, who understood none of the questions which entered into their development, and who could neither realize the difficulties that had been overcome nor those which were yet to be encountered. Under these circumstances Major Sisson adopted the only course that was open to a man of his character and discernment. He resolved to sever his connection with the company, and at once sent in a formal resignation. A few months later he disposed of his entire interest to an English syndicate, into whose hands the control had already been permitted to pass.

With the further history of the Mexican International company we are not concerned. Suffice it to say that the results foreshadowed by its earlier career fell very far short of accomplishment. While the new managers may have met with a certain form of success, at least in a measurable degree, they attempted to do with mailed hand and iron heel what Sisson had accomplished by the exercise of tact, and by a reasonable concession to the wishes and interests of others, thus retaining the good-will and support of the Mexican government no less than of his own. Day and night are not more clearly marked than was the difference in the progress and development of this far-reaching enterprise before and after its founder's withdrawal from the control. Its true proportions the new managers could not appreciate; they could not rise to the occasion, but frittered away the best results of an undertaking inferior in scope and magnitude to none that the century has evolved. Nor did they seem to possess any trace of the financial ability essential to a line of operations in which the skilful handling of resources and capital was above all things needed to insure success.

Since resigning the management of the International company Major Sisson has engaged in other enterprises second only to this in promise, and far surpassing it in importance. First of all he incorporated the Northwestern Colonization and Improvement company of Chihuahua, to which he deeded several millions of acres, which at once began to be improved and colonized. He then organized the Sonora, Sinaloa, and Chihuahua railway company, whose operations included the execution of the several projects mentioned in the concessions. From Deming, in New Mexico, a road was built southward through the series of beautiful and fertile valleys that flank the eastern slope of the Sierra Madre; thence, after crossing the range near Batopilas, reaching the Pacific at the harbor at Topolobampo, and from that point running northerly to Guaymas, from which it connects with the anthracite coal-fields of Sonora. He also received a franchise for the Chihuahua and Sierra Madre railway company, under which he began building a line from Guerrero, in the Sierra Madre, to a point of intersection with the Sonora, Sinaloa, and Chihuahua railway in its southern course, eastward from Guerrero to the city of Chihuahua, and thence onward to the Rio Grande, where connection is made with other roads to Galveston, New Orleans, and the Atlantic seaboard. Still another line is the Deming, Sierra Madre, and Pacific railway, running southward from the town of Deming to the boundary line of the United States, and which will later be pushed across the range in a southwesterly direction, striking the northern edge of the anthracite coal belt in Sonora, with a view to the distribution of coal in southern Arizona and New Mexico. All these lines are being rapidly pushed forward, southward from Deming to Guaymas, and westward from Chihuahua, grading and tracking proceeding from three points toward a common centre. Of all these companies Major Sisson is president, and

owns the majority of the stock, controlling also the disposition of their lands and their general management.

Under the several franchises whereby the Mexican government guarantees a subsidy of \$14,000 per mile, Sisson and his colleagues will construct not less than 2,000 miles of railroad within the territory of the Mexican republic. Protected as the line is by the natural conditions inherent in the impassibility of the mountain range, save through the passes held by the road, they are free from all dangers of rivalry, and will secure to themselves for carrying purposes the vast mineral wealth of the Sierra Madre, together with 300 miles of unbroken timber lands, and the agricultural products of the most fertile portions of Mexico, as the valleys of the Yaqui and Mayo, and the Fuerte and Conchos rivers. In its veins of gold and silver it is admitted that the Sierra Madre range is the richest section of the republic; and though still, as in the days of the viceroys, depending for supplies on mule teams, it already produces at least one fourth of the entire bullion output of Mexico. Yet such is its isolated position that out of more than 2,000 mines, registered and known to possess value, less than fifty are in active operation, their owners awaiting the advent of the railroad, with its cheaper and more rapid transportation.

During the fifteen years which have elapsed since Mr Sisson set forth from Chicago, broken in fortune and almost broken in spirit, he has caused the investment in the Pacific states and territories, or in the republic of Mexico, in mines, lands, and railroads, of more than \$60,000,000, and through his efforts no less than 25,000 persons have been added to the population of the western portions of the two republics. In so doing he has, of course, accumulated for himself a magnificent fortune, but one that does not compare with those of many other railroad magnates. Says

one familiar with his affairs, "While attending carefully to his own interests, he has never forgotten or sacrificed the interests of others, and derives as much genuine pleasure from sharing the rewards of success with his friends and associates as from his own advancement. Many are those who owe their material prosperity to the generous and spontaneous aid he has extended to them, in a spirit which the great majority of the business men of the day are unable to comprehend, and which, from their standpoint, they would characterize as weak and sentimental.

"It must be admitted that if the highest form of wisdom and business ability is shown in the accumulation of wealth, at the sacrifice of all nobler feelings, and regardless of the rights and interests of others, then the major falls short of the highest standard. While building up his fortunes in connection with others he has invariably permitted those with whom he was associated to participate equally with himself in the results achieved, when, by the usages of business, the lion's share belonged to himself. Those who have been the recipients of these benefits too often imagine that they have been the architects of their own fortunes, and to their own efforts and sagacity attribute their success. They are slow to perceive and acknowledge what others plainly see—that his was the mind that planned, his the energy which executed, the bold enterprises in which they merely aided in obedience to the major's directions.

"When once success has been achieved, as a rule the world does not stop to inquire by whose agency it has been reached. But honor should be given to whom honor is due, and in the career of Major Sisson the predominant feature has been his generous and open-handed treatment of his business associates. Many are the instances of ingratitude and lack of appreciation on the part of those on whom he has showered benefits. Often such littleness and selfishness were displayed as would rouse the ire of a saint,

and fill all honest men with contempt and disgust. And yet, though keenly sensitive to such ingratitude, he always tried to find some palliation or excuse, and only when this became impossible, did he give way to the fierce anger of which, when finally aroused, his nature is capable. On such occasions those who have thought that, because the glove was of velvet the blow would be soft, have found to their cost that the hand beneath it was of iron."

By the lecturer and writer whose words have already been quoted, his appearance and character are thus delineated: "The personal presence of the major commands instant attention. Tall and slender, almost to attenuation, a subdued, half-sorrowful, half-regretful expression on his pale, scholarly features when in absolute repose, suggests a suspicion of suffering and physical infirmity. But the illusion—for illusion it is—is immediately dispelled when once he is aroused to action. Then is revealed the gleam of the hidden fire in the brilliant lustre of his dark eyes, which, especially when animated, remind one of liquid gold. He has in reality a constitution of iron, with powers of endurance, mental and bodily, that are rarely equalled.

"He carries no 'concealed weapons,' as it were; but all his methods are open as the day, and whether it is a social, political, or business topic that is being discussed, inspires faith in his sincerity, his moral honesty, and his thorough knowledge of the subject. His friends render him involuntary homage, believe in him, follow him, and try to imitate him. His severe business habits and active, eventful career, his years of contact with the rough elements of frontier life, have not destroyed the tender, delicate regard for the welfare of others, nor marred the innate refinement of his nature. He is still the artist, scholar, and polished gentleman. He is rarely blessed in the possession of a loving and lovable family. It could not well be otherwise. The major himself is a most



affectionate and considerate husband; he is a kind and indulgent father, and his children, who inherit much of their father's genius, love and honor him. He is a true and faithful friend, and any confidence reposed in him is held as a sacred trust. One of the most famous prelates of modern times, in writing of the major, paid him this well-deserved compliment: 'I would freely trust him, as my executor, with the care of my wife and children, and the management of my estate.'"

It is indeed gratifying even to know that such a man exists in this self-seeking age, when the idols of the market-place are held in greater reverence than ever was Diana of the Ephesians. And in tracing the story of his life, from the days of his earlier struggles to the time when his genius had won for him a foremost rank among the great ones of the earth, we know not how to commend in fitting terms a career so full of usefulness and beneficence. In early boyhood we find him at work amid the wilds of southern Michigan, where, in a narrow clearing, on the verge of the primeval forest, and with the timber hewn from its trees, was reared the home of his childhood—one richer to him in associations than the oldest castle or cathedral in the land of his forefathers. At college his training was such as fitted him to be trusted with riches no less than to endure with patience the scourgings of adversity. Here were developed the true qualities of the man; not merely the conventional member of society and organizer of business enterprises, but the man of culture, refinement, and intellectual resource, the man of public spirit and liberal views, "with the good taste which is the conscience of the mind, and the conscience which is the good taste of the soul."

But that which calls forth our strongest admiration is the heroism which he displayed after suffering his great reverse of fortune; nor do our annals afford an episode more touching than that of this brave

man struggling with the storms of fate. One of those whom adversity only stimulates to nobler effort, his greatest victories were won on the very ground on which he had suffered defeat; and thus were fulfilled the vows he had uttered in the days of his sorest trial. And yet they were by no means easy or certain victories; but gained only by long and earnest striving, at times, as it seemed, almost hopelessly, against the unkindliness of fortune and the unkindliness of man. Gradually success became to him habitual, and whatever mischances befell him in later years served but to prompt him to new and yet greater achievements.

For the good work that he has done, the world owes to him a debt of gratitude greater than can ever be repaid. Through his agency nearly 100,000 persons have been provided with comfortable homes, and nearly \$100,000,000 of capital has found a safe and profitable investment. Hundreds have been enriched by his efforts, and to thousands have been granted all the conditions of prosperity. In all the vast enterprises whereby these results have been accomplished he has been the guiding spirit, his leadership unquestioned, and his perfect knowledge of the minutest details a marvel to his associates. Here indeed is true greatness, the greatness of an unconscious, but none the less potent, genius, whose splendor is hidden only from himself. Here is a potency of far finer tissue than that wielded by warrior or statesman, than that which shapes the destiny of empires or fashions the fate of kings. For all humanity is ennobled by the living in this world of such a man.

## CHAPTER VI.

### RAILWAYS—THE CENTRAL PACIFIC COMPANY.

OVERSHADOWING INFLUENCES—INCIPIENCY AND EARLY STRUGGLES—SAN FRANCISCO CONVENTION—SACRAMENTO VERSUS SAN FRANCISCO—CONGRESSIONAL ACTION AND INFLUENCE—THEODORE D. JUDAH—SUBSIDIES AND SUBSCRIPTIONS—CONSTRUCTION COMPANY—DIFFICULTIES—LOCAL LEGISLATION—ADVERSE CRITICISM—BUILDING METHODS—A RACE FOR SUPREMACY—DRIVING THE LAST SPIKE—NEW LESSONS IN INDUSTRIAL POLITICS.

ALTHOUGH the railroads heretofore spoken of were of earlier origin than the Central Pacific, the importance attained by the latter through its connection with the transcontinental project and government patronage, soon caused it to overshadow all the others. Yet its beginnings were small, and its early struggles similar to those experienced by the companies already named.

During the period when the Sacramento valley, the California Central, California Northern, and Sacramento Placer and Nevada railroads were making surveys and locating themselves among the foothills of the Sierra, one engineer, Theodore D. Judah, a graduate of the Rensselaer polytechnic institute of Troy, New York, was letting his thoughts run very persistently on the subject of the Pacific railroad surveys, in which he naturally felt a strong interest, both as an engineer and a citizen of California. Judah had visited Washington in 1856, and had conferred with Congressman J. W. Denver on the form of a Pacific railroad bill, and Denver introduced one proposing a grant of thirty sections of land per mile which he estimated would build the road; but the

bill failed to pass either house. Judah lived at Sacramento, the capital of the state, was acquainted with officials, legislators, and such business men, chiefly merchants interested in transportation, as had their holding here; and when he had been on a reconnoissance for this or that railway, or perchance a wagon road to the mines on the eastern slope of the mountains, was accustomed to call on some of his acquaintances and give expression to his belief that the engineering difficulties in the way of a railroad over or through the great range were not insurmountable. At his own expense he made several barometrical surveys which confirmed his belief, and at length prevailed upon the legislature in 1858 to call a railroad convention to meet in San Francisco on the 20th of September 1859, delegates to which were solicited from the adjoining territories, as well as from every county in California.

This convention was held in Assembly hall on the corner of Post and Kearny streets. Its president was John Bidwell, of California; vice-presidents, Edward Lander, of Washington territory; Alexander P. Ankeny, of Oregon; E. S. Holden and George W. Crane, of California. Its secretaries were W. Rabe, O. H. Thomas, and Henry S. Wells.

The delegates were as follows: I. A. Amerman, Alameda; S. B. Axtello, James T. Farley, A. C. Hinkson, Amador; John Bidwell, W. S. Watson, W. H. Rhodes, M. H. Farley, and J. W. Buffum, Butte; Hiram Wills, Contra Costa; J. K. Douk, W. W. Porter, H. Austin, R. W. Russell, Calaveras; A. J. Burnham (by W. H. Dalrymple), Del Norte; W. S. Sherwood, Siskiyou and Klamath; J. McCullum, J. S. Titus, O. Harvey, J. B. Wade, F. A. Bishop, Thomas Robertson, A. D. Ellis, A. J. Bailey, John Conness, C. P. Jackson, F. A. Bee, Benjamin R. Nickerson, J. C. Cobb, 4th senatorial district; R. Matheson, 11th senatorial district; E. Janson, James Michael, Humboldt; W. H. Dalrymple, Klamath.

George W. Crane, senatorial delegate, D. R. Ashley, Monterey; V. B. Daub, Marin; S. S. Beckwith, Mendocino; J. W. Osborn, Napa; E. H. Vandecar, W. A. Hansel, M. Kimball, E. M. Hall, J. E. Hale, C. H. Mitchell, Placer; J. A. Taylor, S. Ford (to cast 4 votes), Plumas; J. B. Crockett, James A. McDougall, Nathaniel Holland, W. B. Farwell, Henry M. Hale, William J. Lewis, Eugene Crowell, Henry S. Fitch, Daniel Gibb, Ira P. Rankin, Louis R. Lull, E. A. Rockwell, San Francisco; D. O. Mills, E. T. Gillespie, J. Gillig, T. D. Judah, E. McCarthy, L. A. Booth; alternates, Ferris Forman, W. T. Manlove, R. H. McDonald, J. Powell, J. Johnson, A. P. Catlin, Sacramento; S. M. Meyer, San Mateo; O. M. Wozencraft, San Bernardino; William Blackburn, Santa Cruz; E. S. Holden, R. P. Hammond; William Garrao, Carothers, A. L. Booker, San Joaquin; Lawrence Archer, Sherman Day, Santa Clara; G. K. Godfrey, Shasta; J. C. McKibbin, Sierra; J. B. Frisbie, Solano; J. S. Ormsby, Sonoma; Z. Montgomery, Sutter; J. J. Ames, San Diego; Timothy Dame, Levi Hite, F. F. Low, W. Y. Barbour, John H. Atchison (senatorial delegate), G. M. Hanson, Yuba; Joseph Levison, Tehama; Henry Gerke (senatorial delegate for 13th district).

Washington territory sent F. S. Balch, Lafayette Balch, A. B. Gove, George W. Prescott, L. C. Gray, Daniel Howard, S. L. Mastie, and Edward Lauder.

Oregon sent Thomas J. Dryer, A. P. Ankeny, J. B. Knapp, J. Ramsdall, L. M. Starr, Chester N. Terry, F. Camp, J. M. Blossom, Seth Luelling, W. H. Rector, J. B. Walling, George Walling, J. L. Meek, Thomas H. Pearne, Thomas Sevier, George Flavel, Ralph Geer, B. M. Hirsch, A. B. Hallock, Joynt. Arizona and Utah, none.

It will be observed that with the exception of San Bernardino the southern counties of California were not represented—but of that more will be said by and



by. The proceedings in detail of a convention of any kind are pretty certain to be uninteresting to all but the participants, and this one was no exception. Judah made an appeal for a thorough survey of the passes of the Sierra Nevada; a resolution was passed in favor of the central route; and a preference was expressed for a line from San Francisco via Stockton to intersect the central route somewhere north of latitude  $38^{\circ}$ , and south of  $42^{\circ}$ . As to ways and means of constructing the California portion of the Pacific railway, it was suggested that California and Oregon should create a debt of \$15,000,000 and \$5,000,000 respectively, in aid of its construction; and also that a railroad fund should be created in California by setting aside the proceeds of the sales of swamp and overflowed lands. Another proposition was to divert the poll-tax of six of the most populous counties, to assist in creating a railroad fund; and county subscriptions were advocated. The legislatures of California and Oregon were recommended to cause surveys to be made of the mountain passes in their respective states; and to the California legislature, "Go as far as in your prudence you can. We must have this road at any cost. We will submit to taxation to build it. It is an indispensable necessity, a matter without which California cannot get along. We cannot increase the value of the public lands or develop the wealth of the state—in fact we can do none of these things unless this road is built, and at whatever cost it must and shall be built." Such were the utterances at the convention, which lasted for five days.

It was finally decided to publish an address to the people of California, and to memorialize congress, suggesting that aid be given in United States bonds, with a grant of land, and leaving the choice of passes to the company undertaking the construction of the road. The convention adjourned to meet at Sacramento in February 1860. At the adjourned meeting there were present from Arizona two delegates, T. W.

Taliaferro, D. R. Tolliver, and from Utah one, William H. Lindsey; but from the extreme southern counties of California there were none. Yet the San Diego newspapers were angry in their remarks on San Francisco for being the choice of the first convention for a terminus to the Pacific railroad.

The executive committee reported that they had appointed one of its members, T. D. Judah, to go to Washington as bearer of the memorial of the September convention; and that he had while there assisted in shaping a bill embracing, substantially, the recommendations of that convention, a copy of which they presented to the adjourned meeting. Twenty-five thousand copies of the *Address to the People of the Pacific Coast* had been printed and distributed. A mass of information was laid before the delegates on routes, passes, cost, passenger and freight traffic, commerce with the orient, and kindred subjects; so that it could be fairly said the people of California were intimately acquainted with the subject in which they were all interested—that of a Pacific transcontinental road. But on second thought the proposition to burden the state with a debt of \$15,000,000, which could only be done under the constitution by an approving vote of the people, doubtful to obtain, was abandoned. All was left to the legislature, to do the best they could for the enterprise in California, whenever it became certain that a company had actually undertaken the construction of the eastern end of the Pacific railroad. On the third day the convention adjourned, leaving the results to be determined by future events.

Only one man in all California had a definite idea, and that was Judah. His engineering knowledge, and acquaintance with the subject on all sides, together with a laudable ambition to have his name connected with so great a work as this would be, made him the apostle of the enterprise on this side of the continent. But it was a slow and difficult task to show that the mountains of financial obstructions,

which were as hard to overcome as the enormous bulk of the Nevada and Rocky ranges, really could be surmounted. He made his first attempts in San Francisco, and failed. There was no certainty that congress would pass the Pacific railroad bill; the amount of money required was enormous, and San Francisco capital was embarked in other undertakings.

Thus passed the year following his return from Washington. In Sacramento he still discussed his views with the merchants of his acquaintance, and made frequent reconnoissances among the mountains, crossing the Sierra twenty-three times in his study of the passes. It is said that on his final visit to San Francisco, he remarked, "The capitalists of San Francisco have refused to make an investment for which in less than three years they shall have ample cause to blame their want of foresight. I shall return to Sacramento to interest merchants and others of that place in this great work, and this shall be my only other effort on this side of the continent."

In the spring of 1861 came the news that the senate had passed the Pacific railroad bill; and although the lower house failed to do so, it was for want of time to consider the senate amendments. This was encouraging news. Judah called a meeting in the St Charles hotel in Sacramento, and made an appeal for funds to enable him to make instrumental surveys of some of the central passes of the Sierra, which fund was finally raised, and the actual surveys begun which was to decide upon the most practicable route.

Affairs proceeded favorably, and on the 28th of June a company was formed under the laws of the state, with the purpose of constructing a railroad to the eastern boundary of California, with the significant title of Central Pacific railroad of California. The officers of this corporation were Leland Stanford, president; Collis P. Huntington, vice-president; Mark Hopkins, treasurer; James Bailey, sec-

retary; and T. D. Judah, chief engineer. The other directors were E. B. Crocker, John F. Morse, D. W. Strong, and Charles Marsh. The capital stock of the company was \$8,500,000, divided in 85,000 shares of \$100 each; and the law required ten per cent to be paid down by subscribers. The shares taken by Stanford, Huntington, Hopkins, Judah, and Charles Crocker, were 150 each. Peel took 340 shares; Charles A. and Orville D. Lombard took 320 shares; Samuel Brannan, 200 shares; Glidden and Williams, 125 shares; Samuel Hooper, Benjamin J. Reed, and Samuel P. Shaw, 50 shares each; R. O. Ives, 25 shares; Edwin B. Crocker, 10 shares; and other amounts were subscribed by D. W. Strong, James Bailey, L. A. Booth, and Charles Marsh.

Three routes had been surveyed; one through Placerville and El Dorado county; another via Nevada City and Henness pass; and the third through Placer county via Dutch Flat. A final survey gave the following result: that a route was found to exist on the Dutch Flat line with maximum grades of 105 feet to the mile; but there was great inequality in the western slope, whose average length was seventy miles, in which distance the altitude increased 7,000 feet, making it necessary to maintain an even grade to avoid having some sections with excessive grades. The rivers ran through gorges, often 1,000 feet in depth, with banks of varying slopes, from the perpendicular to 45°, and a railroad line must avoid crossing these cañons. The line established ran along an unbroken ridge from base to summit, crossing only Little Bear river, three miles above Dutch Flat. The estimated cost per mile of the road from Sacramento to the state line was \$88,000.

In October the directors resolved to send Judah to Washington "for the purpose of procuring appropriations of land and United States bonds from the government to aid in the construction of this road." He

went, and the Central Pacific railroad of California was incorporated in the Pacific railroad act, whose history has already been recited. This act gave the company \$16,000 per mile on the level plains; \$32,000 per mile on the undulating country near mountains; and \$48,000 per mile in the really mountainous regions. It gave a right of way and depot grounds for the whole distance, and on the completion of every section of forty miles, a grant of 6,400 acres per mile of land. Judah returned to California, and the Central Pacific company filed its acceptance of the conditions proposed in the bill, thus becoming a part, if only a small part, in the great Pacific railroad—the distance between the Sacramento and the state line being not much over one hundred miles, and from Sacramento to San Francisco something less.

The law required forty miles to be completed and equipped before the United States issued its bonds. How to build that forty miles was a problem. The property of the whole board of directors was not worth one million dollars. They could not give mortgage bonds before the road became a reality; and in short, the outlook was unpromising.

The aids Judah depended on were his friend Bailey, and four other business men, namely: Huntington, Hopkins, Charles Crocker, and Stanford. Huntington was a shrewd manager, and did not stick at trifles. Stanford was versed in law, was a politician, and a successful candidate for gubernatorial honors with the republican party, just come into power. One should go east and try to raise money, and the other should see what could be done in California.

Ground was first broken at Sacramento on the 22d of February 1863, Governor Stanford using the shovel in the presence of the legislature and a crowd of spectators. The legislature, impressed by the event, and no doubt remembering that in 1859 and 1860 a convention of delegates from most parts of the state had

recommended great liberality toward a Pacific railroad company, passed no less than seven acts in aid of that corporation, as follows: The county of Placer was authorized to subscribe \$250,000 to the capital stock of the company; there was granted to the company right of way through certain streets of Sacramento, and to make its terminus on the levee, also the waterfront along the Sacramento river in front of the city with the right to erect wharves, landings, and warehouses, stations and all necessary buildings—conditioned, however, upon the construction of fifty miles of railroad within five years—and all of a tract of overflowed land lying within the city limits known as Sutter lake; the privilege of relocating the line of the railroad was granted; the city and county of San Francisco was authorized to subscribe \$600,000 to the stock of the Central Pacific company, and \$400,000 to the Western Pacific, only another name for its line west of Sacramento, making \$1,000,000; Sacramento county was authorized to subscribe for 3,000 shares of the capital stock of the Central Pacific company; the Sacramento, Placer, and Nevada railroad company was authorized to sell and convey its road, with all its property, franchises, rights, and privileges, to the Central Pacific company; and whenever twenty consecutive miles of the Central Pacific should be completed, it should be entitled to \$10,000 per mile in warrants on the state treasury. The president of the company being governor of the state, and internal improvements a watchword of the party to which he belonged, gave him great influence in the legislature, in addition to the public demand for a transcontinental road. But these legislative favors could not be at once converted into money, and it became necessary to have the time for designating the general route extended, and to reduce the number of miles to be completed yearly, as well as to raise funds for the prosecution of the work.

Huntington had already gone east, and in July



1863 reported that he had been able to dispose of nine hundred of the bonds of the company at "rates more favorable than could have been expected," and that by making the company individually and personally responsible, he had secured \$250,000 credit. That he had been successful beyond what was generally anticipated was proven by the arrival of vessels loaded with the iron and material for laying and equipping fifty miles of track.

In October Judah again journeyed east to procure the desired modifications of the Pacific railroad bill, but died of fever in New York. His place in the company as congressional manager was at once assumed by Huntington, whose talents in that direction are well understood at this day. Together with the managers of the Union Pacific company the following changes were made in the original act: The shares of the Union Pacific company were made \$100 each instead of \$1,000, and the number 1,000,000 instead of 100,000; and the number of shares which entitled the holder to serve as a director was fifty instead of five. The company should assess its stockholders not less than five dollars per share at least twice a year, until the par value should have been fully paid, money only being receivable. The capital stock should not be increased beyond the actual cost of the road; and it should be deemed personal property, and transferable on the company's books.

The amount of land granted per mile was doubled; coal and iron lands were released from reservation by the government; the time for designating the general route was extended one year; and the number of miles to be constructed annually by the Central Pacific was reduced from fifty to twenty-five, but the whole distance to the state line must be completed in four years. The reservation of a portion of the land grant until the road was completed was repealed.

Should the engineer-in-chief certify that a given portion of the work required the issue of two-thirds

of the bonds which would be due on completion of this portion, in order to complete it, the secretary of the treasury was authorized to make such issue; but the Union Pacific company should not receive any such bonds for work done west of Salt Lake City, more than 300 miles in advance of the line completed continuously from the 100th meridian.

Either company might issue first mortgage bonds on its road and telegraph line to the amount of the United States bonds to be issued to them on the even date, and the lien of the government should be subordinate to that mortgage.

The government should issue its bonds to the companies every twenty instead of forty miles; and only one-half of the compensation for services rendered to the government should be required to be applied to the payment of the bonds issued by the government. This was a liberal arrangement on the part of the government, but the time had come when it was necessary that the road should be built.

The contract with the nation, as the law now stood, to say the least, was one in which the contractors had a splendid opportunity; how they should profit by it depended upon their native ability. The only restriction put upon the privileges of the Central Pacific was that which fixed the limit of its extension eastward at 150 miles beyond the state line—a limit to which Huntington must have agreed with a mental reservation, if at all, for he has put on record: “I said to Mr Union Pacific, when I saw it, I would take that out as soon as I wanted it out.”

The security possessed by the nation was the trust which it reposed in these companies: and the only supervision was the appointment of commissioners to go over the completed roads, and on examination to accept or reject them according to the condition in which they were found before bonds were issued or lands set apart. The president of the Central Pacific company was required to furnish a verified statement

of the condition of his company, which should be filed in the office of the United States surveyor-general of California, instead of being presented to the president of the United States. This amended act was approved July 2, 1864, before which the Union Pacific company had made no commencement of construction, or even of location.

Meanwhile the Central Pacific had been a whole year at work, and had not only constructed thirty-one miles of its road and telegraph by the 16th of September 1864, but had built a wagon road from Dutch Flat to Carson valley to assist in feeding the railway, and oppose the Placerville wagon-road company, which had, unwisely perhaps, refused to transfer its franchise to the Central Pacific. Had they not so refused, it is believed by the people of El Dorado county, at least, that the railroad would have been located via Placerville and the Carson pass, instead of via Dutch Flat and the Truckee pass.

Whether or not this belief was well founded, it is true that very soon after the Central Pacific company was organized, Huntington and Charles Crocker visited Dutch Flat, and with a citizen, D. W. Strong, made a tour of inspection of the route selected by Judah for a road to Carson valley. On their return from this reconnoissance, the Dutch Flat and Donner Lake wagon road company was formed, with a capital of \$100,000, and the company consisted of the directors of the Central Pacific company, who entered upon as thorough an opposition to the Pioneer Stage line on the Placerville route as if they had been presidents of stage companies, instead of officers of the western division of the proposed trans-continental railroad.

That the movement was a shrewd one in the way of business there can be no question. Work was begun on this wagon road in the autumn of 1862, and it was completed in June 1864, the distance being

about ninety miles. It was a good road, fully as good as the one by Placerville, and was given a wide publicity in the Sacramento and Dutch Flat newspapers. Some idea of the income from a toll-road in that period of Nevada history may be obtained from the following table of rates:

|                                     |         |
|-------------------------------------|---------|
| One animal and vehicle.....         | \$ 5 00 |
| Two animals and vehicle..           | 9 00    |
| Four animals and vehicle.....       | 11 00   |
| Six animals and vehicle.....        | 13 00   |
| Eight animals and vehicle.....      | 15 00   |
| Ten animals and vehicle.....        | 17 00   |
| Each additional animal in team..... | 1 00    |
| Horseman.....                       | 75      |
| Pack animal.....                    | 50      |
| Loose stock, a head.....            | 50      |
| Sheep and hogs, a head.....         | 25      |

But when it is known that there were three toll-gates on the Dutch Flat and Donner Lake road, and that there was a pretty constant procession of teams, it will be apparent where some of the money came from which helped along the mountain division of the Central Pacific.

This management, good as it was, gave rise to a report that the railroad company was only supplementary to the wagon road, and that it had no intention of building beyond Dutch Flat. This report proved injurious to the company's interests, especially in San Francisco, but also in all the counties authorized to subscribe, and the "Dutch Flat swindle," as they called it, received frequent hard thrusts from the newspapers. And indeed, looking at the subject in any ordinary light, it would not appear credible that a small group of men, not capitalists, and who apparently were putting into a toll-road all their available means, should actually be contemplating the greater undertaking. Even at this day it is easy to believe that they foresaw that in the event of a failure to reach the state line with a railroad, the wagon road would remain a valuable property, and secure for as much railway as they could build the traffic of Nevada.

The \$10,000-a-mile act of 1863 provided that only the first twenty-mile section should be allowed to draw before it could be shown that \$300,000 had been expended upon the construction of the road between Sacramento and a point fifty miles east of the place of beginning; and that for the first and second years no more than \$100,000, and interest accrued upon unpaid warrants, should be paid annually, conditioned upon the completion of twenty miles of road each year; the company also agreeing to transport all public messengers, convicts being taken to the state prison, materials for the construction of the state capitol, articles for exhibitions at the fairs of the state agricultural society, and in case of war, state troops and munitions.

This act was repealed in 1864, and another substituted authorizing the Central Pacific company to issue its bonds to the amount of \$12,000,000 in sums of \$1,000 each, bearing interest at seven per cent, the interest on 1,500 of these bonds to be paid semi-annually by the state, for which purpose a special tax was levied of eight cents on each \$100 of taxable property in the commonwealth to constitute a Pacific railroad fund. A condition was to be inserted in the bonds that the counties of Placer, Sacramento, and San Francisco should be exempted from all liability as stockholders for the payment of principal or interest upon all of the bonds, over and above the stock already subscribed by those counties. Some doubt was entertained in legal minds as to the power of the legislature to exempt these counties under the constitution, which made them liable. Doubt was also expressed of the authority of that body to make a grant or contract a debt of more than the constitutional \$300,000; but the legal brains of the company found in the constitution itself, which made exception of cases of war, invasion, or insurrection, justification for its violation—for did not war exist in the nation? In order to still further guard the act from the assaults which might be made upon it by the courts, it was drawn in the nature of a contract, the company, as in

the former act, agreeing to transport without charge prisoners, lunatics, material for the capitol, articles for the annual fairs of the agricultural society, and troops and munitions of war. Not only this, but the company was bound, within ninety days after receiving a patent for a certain parcel of land about twenty-two miles from Sacramento, containing granite quarries, to transfer the same to the state, reserving only its right of way through this tract. It is certainly a hint to us that our civilization has not progressed far in the direction of moral development, when to attain a worthy purpose men find themselves compelled to resort to legal protection. Governor Low, who signed the bill, gave it as his opinion that it was unconstitutional. But to balance it he vetoed another granting state aid to the Western Pacific and Central Pacific railroads, of which the history has been given, and which the *Sacramento Union* mentioned as a merely "local railroad, having no claim upon the state." Sacramento was in the habit of speaking of itself as the terminus of the trans-continental railway; yet great obloquy was heaped upon San Francisco, by the railroad organs, for not exhibiting more interest in their enterprise.

The legislation of Nevada might affect the interests of the Central Pacific, and it was important that the company should have an advocate in the constitutional convention of 1863. The president was there, and finding that the convention was inclined to vote for a clause donating \$3,000,000 in bonds to the first railroad company which should connect the state with navigable waters—meaning a contemplated extension of the Sacramento Valley and Placerville railroad, under the title of the San Francisco and Washoe railroad company—argued strenuously against that enterprise, and in favor of the subsidy being given to the Central Pacific. He succeeded in convincing the convention that congress would not make another land grant paralleling the Central Pacific, and that if



it should be done it would only delay the completion of any Pacific railroad; but he did not secure the subsidy for his road. The convention merely voted against the \$3,000,000 grant, and dropped the subject. In 1864, however, the Nevada legislature, after the congressional amendment to the Pacific railroad act, passed a series of resolutions, the tenor of which was that the Central Pacific endeavored only to reduce the mileage to be constructed yearly, and had only completed thirty miles, while there was a railroad thirty-eight miles long, extending in an almost direct line with the capital of Nevada, which with reasonable encouragement would push forward to that point, and asking congress to grant \$10,000,000 in bonds of the United States to the first corporation which should complete and put in running order a railway from the navigable waters of the Sacramento to the eastern base of the Sierra. The \$10,000,000 subsidy was not granted, but a land subsidy was, in 1866, granted on condition of the road being completed to Virginia City within a given time, in which it failed, as has been hereinbefore related.

Thus the feeling of opposition and suspicion continued, and the more successful the company, the more it was maligned. There are two motives in the human mind for the exhibition of these unpleasant sentiments: one arising from a conviction of unworthiness in the person or persons opposed, in which case the hostility is justifiable; the other from a consciousness of unworthiness in ourselves, and of malicious envy of superior virtue. To which of these two categories the various newspapers, boards of county supervisors, and town trustees belonged, each must determine for himself; but together they afforded the company a pretty constant opportunity of having their affairs ventilated in the courts. Not that it was productive of much satisfaction, one of the original members of the company being upon the supreme bench, the president himself

a lawyer, and the most eminent talent to be had for the money.

When the Central Pacific transferred its franchise and land grant to the Western Pacific, the county of Placer as a stockholder, and of course interested in the company's property, questioned its right to sell or transfer this grant except by consent of the stockholders; and also appointed a committee consisting of A. B. Scott and D. W. Madden to discover what truth there was in the report that the company assumed that the grant was made to the incorporators as individuals, who sold these rights to the California company for a large amount in paid-up capital stock, which payment was a fraud upon stockholders in California.

This fear being explained away satisfactorily, the next alarm was concerning the release by the amendment of 1864, of a certain class of mineral lands—coal and iron—the inhabitants of the mineral districts lying within the twenty-five mile limit on either side of the company's line, apprehending that the release of these lands would operate disastrously to many persons who had taken coal and iron lands in Placer and Nevada counties, determined to take action in the matter, and A. A. Sargent appeared before the judiciary committee of the state senate to demonstrate that a miner would have no standing in the courts against the holder of a United States patent, and that therefore something should be done to prevent these patents from issuing. Before the same committee appeared, also, on the other hand, President Stanford, B. B. Redding the company's land agent, and E. B. Crocker the company's attorney. The result of the investigation was that the senate committee reported in favor of resolutions requesting the president of the United States to withhold his signature from any patents to lands until a segregation of mineral from agricultural lands had

been made. What was actually done was to pass a concurrent resolution instructing the California delegation to stay the president's hand until a memorial could reach them by mail, said resolution being placed in the hands of Governor Low to be dispatched by telegraph. The despatch was not delivered for eight days, and in the mean time 450,000 acres in Placer and Nevada counties had been patented. The company had its lands, which were perhaps needed just at that time; the people of Placer and Nevada sustained no injury; and as for the suspicion concerning the telegraph delay, who could say where the blame rested? The agitation of the question of mineral lands appeared to have arisen from a misapprehension since the Pacific railroad acts distinctly declared that mineral lands were exempt, and then declared that coal and iron lands were not classed as mineral, hence were open to preëmption as well as agricultural lands, and what more could be desired? The memorial which was addressed to congress on the subject asked for such legislation as should place the coal mining interests of the state upon an equality with the privileges enjoyed by the operators of this class of mining in other states, and this was already done by the act of 1864.

When the Central Pacific company filed its acceptance of the conditions of the Pacific railroad act of 1862 its means were restricted to the private fortunes of its stockholders, which were not large, and which were not then invested in the enterprise to any considerable extent. But the principal men in the company, Stanford, Hopkins, Huntington, and the Crockers, were each and all workers, and fortunately harmonious workers, in different departments. Huntington went east to endeavor to obtain a postponement of the payment of the semi-annual interests, in which he was unsuccessful; but that clause which provided for withholding a certain per cent of the bonds until the

completion of the whole road was repealed. He was successful in securing credit to the amount of \$1,250,000 on personal security; for the amount a man is worth does not always depend on the money he has, but rather on his ability at all times to make his purchases meet his pecuniary obligations. It was Oakes Ames who furnished the credit, and he is declared to have done so with the remark, "While we don't know what you are worth, we are satisfied you would not have indorsed the paper if you were not worth the money."

While Huntington was thus engaged, the company's affairs, by dint of severe application, were carried along prosperously. The directors were not merely a board, which controlled numerous subordinates with salaries; they constituted among themselves a construction company, and built the Central Pacific railroad as they had the Dutch Flat wagon-road. This company consisted, in the first place, of seven members, Stanford, Hopkins, Huntington, Booth, Marsh, Peel, and Judah, each of whom agreed to furnish one-seventh of the cost of the road to Newcastle, a distance of thirty-one miles. By the terms of the original Pacific railroad act they were compelled to construct forty miles before receiving the aid of \$16,000 a mile in bonds of the United States, and their land grant for that distance, amounting to 6,800 acres to the mile. There was little or no difficulty in building to Newcastle, but beyond there the work would be expensive, and the aid received in bonds would treble the amount fixed for the valley portion. Governor Stanford personally canvassed the counties. The campaign was an exciting one. The *Placer Herald* opposed the burdening of the county with the annual payment of \$20,000, and denounced the "grasping monopoly, already supercilious in its manner, positive in its demands, and insolent in its threats." The *Advocate* also opposed it. The *Placer Courier* and the *Dutch Flat Enquirer*, as strongly

advocated it; and the *Sacramento Union* was a powerful aid, Sacramento and Dutch Flat being at the possible termini of the road. Stump-orators were engaged to urge on the counties; one of the principal arguments used being increase of value.

The actual business of building the road was left to the other six of the construction company. Judah being dead, and the work begun in Huntington's absence in the east, there was trouble with the sub-contractors, and Peel, one of the principal men in the construction company receded from his agreement, not liking to risk his \$34,000 in gold, then worth thirty per cent premium, on this venture.

In the midst of this crisis Huntington returned from Washington. He knew, what was not known to every one, that the Union Pacific company was likely to obtain some important amendments in the benefits of which the Central Pacific would share. He gave Peel the alternative to buy him out or sell out to him, neither of which was accepted, when he determined to force him out of the railroad company, which he did by stopping work on the line. Fearing the failure of the company Peel gave up his stock. The sub-contractors, not understanding the movement, and seeing that there was no insuperable obstacle to completing the road to Newcastle, offered to buy out the company, and complete it among themselves. Huntington readily agreed, but sent them to a capitalist, Charles McLaughlin, who was in the Central Pacific interest, and who declined to become their broker. The contractors then resumed work for the company, and completed the road as far as Newcastle. Means were formed to secure the stock of several other members of the company. Judah's stock was taken in, only twenty-five shares being allowed his widow; and by the time the road had reached Newcastle the only subscribers who had any voice in its affairs were Stanford, Huntington, Hopkins, and the Crockers; even the counties of Sacra-

mento and Placer, which together owned 550 shares, were denied the right of access to the books of the concern, after the passage of the amendment act of 1864 had solved the financial problem, and as Stanford himself said, in July 1865, furnished "abundant financial means to press forward the work to its utmost development."

The report issued at the end of the first year of construction, September 16, 1864, shows how favorable was the condition of the company:

|                                                                                                                                                                                                              |           |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|
| Authorized capital.....                                                                                                                                                                                      | \$ .....  | \$8,500,000    |
| afterward increased to \$20,000,000.                                                                                                                                                                         |           |                |
| Cash subscribed and issued for work and material.....                                                                                                                                                        | 723,800   |                |
| Placer county subscription.....                                                                                                                                                                              | 250,000   |                |
| Sacramento county subscription.....                                                                                                                                                                          | 300,000   |                |
| For iron, cars, etc.....                                                                                                                                                                                     | 188,000   |                |
| Total.....                                                                                                                                                                                                   | .....     | 1,461,800      |
| The debts of the company were its first mortgage bonds issued.....                                                                                                                                           | 1,250,000 |                |
| Individual accounts.....                                                                                                                                                                                     | 205,700   |                |
| Pay rolls for August.....                                                                                                                                                                                    | 25,000    |                |
| Total.....                                                                                                                                                                                                   | .....     | 1,480,700      |
| Assets of the company, due from stockholders.....                                                                                                                                                            | 203,886   |                |
| 150 Placer county bonds.....                                                                                                                                                                                 | 75,000    |                |
| 327 Sacramento county bond.....                                                                                                                                                                              | 163,500   |                |
| San Francisco county bonds.....                                                                                                                                                                              | 400,000   |                |
| Due from U. S. on completed road...                                                                                                                                                                          | 1,264,000 |                |
| Grant by the state—105 annually....                                                                                                                                                                          | 2,100,000 |                |
| Survey to eastern boundary of Cal..                                                                                                                                                                          | 66,740    |                |
| 31 miles of first-class railroad.....                                                                                                                                                                        |           |                |
| Uncompleted line above Newcastle..                                                                                                                                                                           | 50,000    |                |
| Shops, tools, etc., etc.....                                                                                                                                                                                 | 25,000    |                |
| On hand and to arrive iron for 32 miles, and enough purchased for 20 additional miles, besides chairs and spikes for 53 miles, and ties for 22 miles, passenger cars, and freight and construction cars..... |           |                |
| The levee in front of Sacramento city from K street north, and 30 acres north of I street, granted by the city .....                                                                                         |           |                |
| The value of every alternate section of public land for 20 miles on each side of the road, for 31 miles completed.....                                                                                       |           |                |
| The earnings of the road from June 6, 1864, when it was opened to Newcastle, to September 14th less expenses.....                                                                                            | 38,917 74 |                |
| Total known values.....                                                                                                                                                                                      | .....     | \$4 387,043 74 |



It will be observed that in this abstract from the secretary's report, no valuation is placed upon the thirty-one miles of completed road. In this there was a design. The first assessment by the county on the Central Pacific company's property in Placer was made in 1864, and was based on the company's statement of its length and valuation, the latter being estimated at \$6,000 per mile. This the district attorney demurred to; and on proof being brought that it was too low, the assessment was raised to \$20,000 a mile; but the board of equalization reduced it to \$12,160 per mile, at which rate the company finally paid its tax.

The abstract quoted above shows that the Central Pacific company had due in bonds from the United States, for its thirty-one miles of completed road \$1,264,000, instead of \$496,000, which at \$16,000 per mile it would have been. This difference in favor of the company arises from the permission granted by the president to consider Sacramento within seven miles of the foot of the Sierra, and after reckoning seven miles at \$16,000 per mile, the company was allowed for the remaining twenty-four miles \$48,000 for each mile of road, making a difference to them of \$768,000. This difference alone was almost sufficient to construct this section of the road, and in this period would more than pay for it; but there were extraordinary expenses attending railroad construction at that time, and the actual cost was never made known.

The status of the company was now excellent. The state and county subsidies had been sufficient with its cash subscriptions to construct the road to Newcastle, and the government aid thus saved was forced to continue the work. Small subscribers were gotten rid of; former contractors were dismissed, and the contract to construct the road from Newcastle to the state line was let to Crocker & Co., 2,000 Chinese were added to the 500 white men employed, and

in 1865 the work was pushed forward, but slowly for the two years following, on account of the heavy grading in the mountains and the scarcity of laborers. More Chinese were imported, and in 1867 the state line was reached. Only twenty miles was made in 1865; thirty in 1866; and forty-six in 1867. But as the army of workmen moved on they left a completed road behind them, with depots, water-tanks, snowsheds, and a telegraph line.

Crocker proved a thorough railroad builder. He says of himself, "I used to go up and down that road in my car like a mad bull, stopping along wherever there was anything amiss, and raising Old Nick with the boys that were not up to time." His methods, at all events, were successful, which in the emergency was the end to be desired.

At the state line a new organization was formed, under the name of the Central and Finance company, whose stockholders and directors were the same as those in the Central Pacific company; or in other words, the railroad company contracted with itself without advertising for bids, which was another very shrewd means of gaining absolute control of even the smallest details in any way connected with the road, and making it practically a close corporation.

Having overcome the formidable barrier of a rugged mountain chain, and climbed to an altitude of 7,017 feet, the Central Pacific now girded itself for a race to secure the trade of Utah. It was now going to make good the proposition of its vice-president, to take out of the amended congressional act the limitation of 150 miles in Nevada.

A cursory glance might leave the impression that the Union Pacific, having between 300 and 400 miles of the level Platte valley to build upon, possessed a great advantage over the California company; but this does not appear to have been the case. In a financial point of view it was a disadvantage, since it

must construct this whole distance for \$16,000 a mile in United States bonds, plus the capital it was prepared to furnish, and its own bonds on the completed portion; while the Central Pacific after the first seven miles was in receipt of \$48,000 per mile for a distance of 150 miles, with the addition of an equal amount from its own first mortgage bonds, a handsome revenue from its completed road at the end of the first year, and a liberal subsidy from the government, and the cities and counties of California.

Even in a constructive point of view the Union Pacific had not any advantage over the Central Pacific. There was no railroad communication nearer than 150 miles east of the Missouri river, and from that point material and supplies had to be transported by wagon. The country adjacent to the base of operations was destitute of timber, even the ties coming from the middle states, and being transported at a cost of nearly three dollars each. Supplies for a large force were transported to the front in the same expensive and tedious manner.

Owing to the obstacles of every kind which had to be met, the Union Pacific did not break ground until November 5, 1865. In January 1866 only 40 miles had been constructed, but in one year from that date 305 miles had been completed—eleven miles west of the crossing of the north Platte—beyond which the altitude rapidly increased, and an increase of bonds was due, with greater difficulty in construction. To reach Ogden required the building of over 700 miles of the mountainous portion of its route. For the Central Pacific in January 1867 to reach the same point it must complete over 600 miles. The Union Pacific company had the larger force, but the Central Pacific Contract and Finance company was more thoroughly organized, worked more economically, and was not embarrassed at any time by a want of adequate means, as was the rival corporation.

In 1866 the state of Nevada granted the Central

Pacific a right of way through its territory, and congress removed the 150-miles limitation, giving the California corporation the right to locate and construct its road continuously eastward until it met the Union Pacific, also in a continuous line.

It was not until the autumn of 1867 that the California company was fairly out of the mountains and ready for the race. At that time the eastern company had constructed 550 miles. This was the most rapid railroad work hitherto known, but the western company determined to surpass it. In 1868 the Central Pacific built 363 miles. We can now well imagine Crocker, who was personally superintending the work, going up and down in his car, raging, where he detected anything amiss, "like a mad bull." For this year the Union company, fearing the rapid advance of its rival, threw out graders 500 miles west of Ogden, 80 miles being laid with the iron track. Then the Central company took reprisals, its graders throwing up a line east of Ogden, and the directors filing a map of the route to Echo; and although the Union company actually had a continuous line 53 miles west of Ogden, it availed nothing, because the directors of the Central knew how to strike a balance in their own favor.

The place of meeting was at Promontory point; but Huntington had prepared very ably an argument showing why the junction should be at Ogden, on account of the trade of Salt Lake valley, and the coal in the Wasatch valley. He represented that as his company had performed a larger part of the hard work of overcoming mountains, they should be permitted to enjoy the advantage of a long stretch of less difficult road building. They had filed their map, and received a partial issue of bonds on the uncompleted road beyond Ogden; therefore they had the right to go to Ogden, if not further.

But then people asked each other why Secretary Browning accepted a map to Echo, irregular, incom-

plete, and unauthenticated, when the Central company was still 434 miles from that point? And how it was that this company was permitted to secure a two-thirds issue of bonds on their 80 miles of uncompleted road east of Ogden, when the Union company was within 50 miles of that point, and the Central still 230 miles distant? This excited the newspapers further to inquire what made the partially completed grading of the Central Pacific cost \$20,000 per mile, when the fully completed grading of the Union company's road cost \$10,000. Or why, when the plain law of the case gave the companies the privilege of constructing a continuous line from either direction until they met, the Union company should be stopped to allow the Central to make the connection to please itself? The latter had failed to reach Ogden, and was met by the continuous Union Pacific at Promontory, 53 miles west. Both companies had employed the nation's substance by taking advantage of the clause in the law intended for their relief when doing their work with insufficient means. Although the Central Pacific had not reached Ogden, its vice-president drew, on the 3d of March, 1869, the last day of a dissolving administration, \$1,333,000 for partially constructed work beyond Ogden. So they declaimed, and no proper understanding by the people ever was arrived at. Congress investigated the case, but the testimony showed the issue to have been made in accordance with the law, and on the opinion of the attorney-general. The investigation silenced further talk, and the national joy at the completion of a Pacific railroad swallowed up all minor considerations and differences. But there was a good foundation for the attitudes of the companies, or we will say, for the Central company, in this matter; for in 1866 congress had amended the Pacific railroad act, and declared that not only should the two construct until they met, but "when the nature of the work to be done, by reason of deep cuts and tunnels, should, for

the expeditious construction of the Pacific railroad require it," they might work "for an extent of not to exceed 300 miles in advance of their continuous completed lines." Thus it is seen that though there was little to require the extension of the Central's line, Mr Huntington knew how to carry through cases of this kind, and make even the secretary of the treasury obey his will.

On the 28th of April 1869, six years and three months from the first breaking of ground at Sacramento, the Central Pacific met the Union Pacific at Promontory, a point with nothing to distinguish it from any other spot in a high rolling country destitute of trees, but covered with coarse grass. On that memorable day the Contract and Finance company put forth its whole energy and laid ten miles of track.

The disagreement continuing between the two companies, and the Union managers being embarrassed financially, the Central offered to purchase the road from Promontory to Ogden for \$4,000,000. At first the offer was refused; but Huntington, who had taken up his residence in the east, and whose talents as a lobbyist had made his services in Washington indispensable, secured through Attorney-general Black the introduction into a resolution by congress "for the protection of the interests of the United States in the Union Pacific railroad company, the Central Pacific railroad company, and for other purposes" of a proviso that the common terminus of the two roads should be at Ogden, or near it, and that the Union Pacific might build, but the Central Pacific might pay for the road from Promontory to Ogden.

This "little legislation" as Huntington called his *coup d'état*, determined the matter, and the California company was allowed equal advantages with the Union Pacific in regard to coal, and trade with Salt Lake City. These preliminaries arranged, the con-



solidated Pacific railroad celebrated its formal union on the 10th of May 1869, in the presence of the sparse population of the desert region about Promontory, the army of graders and track-layers having departed soon after the conclusion of their labors.

Perhaps the very loneliness of the scene enhanced its interest. When the doge of Venice wedded the Adriatic with a ring, amidst a brilliant throng of richly dressed Venetians, the ceremonial was something more than a spectacle. It symbolized the importance to the continued life of that republic of the possession of a maritime commerce. The meeting of the directors of the two companies which had spanned the continent with bands of iron, thereby uniting the Atlantic and Pacific oceans, was no less symbolical of the importance to this republic, and the world, of the Pacific railroad. The meaning of it was not lost upon the heterogeneous few hundreds assembled on that bright May morning—officers and soldiers from Camp Douglas, with a military band; the president and apostles of the church of latter-day saints, with some of their people; newspaper correspondents from east and west; self-elected delegates from California, Nevada, Colorado, New Mexico, Arizona, and Montana, mixed up with the few laborers remaining—florid Celts, in blue jeans; yellow-skinned Mongolians with queues freshly braided, clean blouses, and a generally neat appearance; Mexicans in broad sombreros, fringed buckskin trousers, and crimson silk sashes; aborigines in no dress at all, resembling animated bronzes; or if a chief, wearing a skin robe and a feather head-dress; American citizens in every modification of the prevailing fashion—not more than a thousand in all.

At eleven o'clock the train bearing the party of the president of the Central Pacific rolled eastward to the gap between the rails of the roads about to be joined. It looked, in that lonely place, with its new cars and decorated locomotive, a very grand affair;

but when the train from the east appeared a few moments later on the opposite side of the gap, the difference between the unpretentious carriage of the Stanford party and the handsome president's car of Durant of the Union Pacific became very noticeable. From both trains descended the principal actors in the approaching ceremony.

The last tie which was to support the uniting rail was of California laurel, smoothly polished, and having in the centre a silver plate, engraved with the evermore-to-be-illustrious names of the officers of the two companies. The last spike was of California gold, and was driven home by a silver pick in the hands of President Stanford. Several of the territories sent gifts equally significant. Then the Union company's train advanced over the connecting rails, dipped its flag, and backed to allow the California company to advance and retire with the same salutation. Thus the twain became one road, and a royal wedding was consummated. Cheers rose from the multitude; the band played; congratulatory speeches and telegrams were listened to; and finally the proceedings ended as all such proceedings must, in a royal banquet.

On the morning of the 11th there arrived the first train out from New York, consisting of half a dozen new passenger coaches for the Central which were attached to the president's train, and accompanied it to Sacramento, where, and at San Francisco, the event of the day before was celebrated with processions and noisy rejoicings.

But the railroad to the Pacific was not completed until the Contract and Finance company had finished the work on both ends of the Western Pacific, which was done, as already narrated, in November, when it was consolidated with the Alameda valley road, and both became consolidated with the Central Pacific, making it complete by the addition of the San Francisco bay railroad to Oakland wharf.

Before the Central company could draw the full amount of the bonds due on completion, or obtain patents to its entire grant of lands, an examination by the United States commissioners was required. The commissioners found that a further expenditure of \$4,493,380 would be called for to put in first-class condition that part of the road east of Sacramento, and especially that portion so hastily constructed through the Humboldt valley. Upon this report the president of the United States ordered deposited with the secretary of the treasury first mortgage bonds of the Central Pacific to the amount which the commissioners found the company's work defective, and that no more patents to land should be issued until the road was completed according to law.

So accustomed were the directors to making the rules by which they and those about them were governed, that this decision gave them a surprise. In September application was made to withdraw the four millions of first mortgage bonds, but the application was denied. A few months thereafter the company, having completed to a considerable extent the defective portions of their road, were permitted to withdraw their bonds, and to receive patents to half the lands yet due. In March 1871 it was still held that the road was incomplete in the meaning of the law, and the secretary of the interior again refused to issue patents. But the states through which the road passed, desiring to have the railroad lands patented in order that they might be taxed, a bill was introduced, and was pending in congress, to remedy this evil.

In the mean time the managers of the Central had learned how to manage commissioners, and a new board being appointed, a report was rendered that the road had been fully completed at a cost of \$5,121,037.23—\$1,014,681.34 for wharves and depot buildings at Oakland and San Francisco; \$241,490.-87 for improvements of depot grounds at Mission bay

in San Francisco; and \$105,906.60 for the steam transfer boat *Thoroughfare*, which was built to ferry over from Oakland to San Francisco loaded freight cars. Whether, supposing the road to be not completed before, this would place the government under obligations to aid the company to the amount of the difference between the face of the bonds and the work here set forth, namely \$627,657.23, might be a question, for the time was not yet up in which, according to the act, the company might complete the Pacific railroad.

In 1875 the courts were called on for opinions as to the meaning of the act, and as to when it became obligatory upon the company to commence paying the five per cent of its earnings towards extinguishing its debt to the government. The United States claimed that on the 15th of July 1869, when it was opened for business, it was completed in the sense of earning money over the whole length. It had actually been in operation ever since the middle of May, and had a good deal of through business. But the company claimed that according to its own admissions of the incompleteness of the road, it was not finished and liable to the payment of the five per cent before October 1, 1874. If finished in 1869, then it had been unjustly treated by the government, which withheld its land patents; if not completed until October 1, 1874, then nothing was due when the action was commenced. At the same time the road had earned in three years a net profit of \$24,124,088.

The decision of the United States circuit court, Sawyer presiding, which was not rendered until 1877, was in favor of the company. By it the company would have gained \$1,836,635.10. In 1878 the court of claims, arguing the same question, decided that the Union Pacific road was completed in the sense contemplated by the act, in 1869, and the decision of course affected both roads. And so the question continued to be discussed as time passed by, with more

or less acrimony, but which it is not necessary to be continued further here.

By a comparison of dates it will be seen that previous to the time when it admitted itself completed in the sense of being liable to pay a percentage on its debt, the Central Pacific had gathered to itself, by able management on the part of its officers, the Western Pacific, California Pacific, Eastern Extension, and California Navigation company, San Francisco and North Pacific, San Francisco and Humboldt bay, Napa valley, Sacramento valley, Oregon and California, Stockton and Copperopolis, Stockton and Visalia, besides some shorter competing lines.

The Napa Valley railroad company was organized in 1864, to run from Vallejo to Calistoga. It was built chiefly by county subscriptions of \$10,000 per mile, C. Hartson being its first president, and A. A. Cohen secretary. When it was completed as far as Napa City, Hartson obtained the free gift of the county subsidy, and with private subscriptions was able to complete it to Calistoga in October 1868. On the 27th of May 1869 the road was sold to W. F. Roelofson and James M. Ryder, contractors, for \$500,000, and became a branch of the California Pacific, which brought it finally under the Central Pacific management.

The California and Oregon railroad was an extension of the California Central and Northern Central built between 1861 and 1864 as far north as Oroville, with the intention of going to Red Bluff. The formation of the California and Oregon railroad company in 1863 changed its prospects, and it became finally consolidated with the latter in 1869. The preliminary organization of the California and Oregon looked merely to securing a route to Oregon. The company was permanently incorporated in July 1865, with a capital stock of \$15,000,000, divided into 150,-

000 shares of \$100 each. The directors were Alpheus Bull, S. G. Elliott, William E. Barron, Joseph Barron Thomas Bell, and C. Temple Emmet. A company was also incorporated in Oregon to continue the road from the state line to Portland. The distance to the Oregon line was 286 miles, and from there to Portland 349 miles. In 1866 congress granted to these companies the same amount of land per mile which had been granted to the Pacific railroad, of which in the intention of congress it was a branch. The subsidy was, however, conditioned upon the construction of twenty miles before the end of 1868; but the time was subsequently extended to 1870, and of the whole California division to 1880. In 1870 it became consolidated with the Central Pacific through the California Central and Yuba branches, when the Contract and Finance company constructed the road, reaching Red Bluff in 1872, and subsequently Redding; but the road was not completed until the winter of 1887.

The Stockton and Copperopolis railroad company made the first organized movement toward railway transportation in San Joaquin county in 1862, the first object being to bring to tide-water the ores of Calaveras county, then yielding abundantly of copper; and secondarily to aid in the development of the fertile lands of San Joaquin county, and the quarries of marble, granite, slate, and coal on its line. The legislature of 1863 authorized the counties of San Joaquin, Stanislaus, Calaveras, and Tuolumne to subscribe an aggregate amount of \$225,000 to aid this road; but for various reasons, as the partial failure of the copper mines and the civil war in the east, the enterprise languished. In 1865 the company reorganized and applied to congress for aid, and a grant was obtained, in March 1867, of 231,000 acres of land, conditioned upon \$200,000 being subscribed, of which five per cent should be paid in, and construction commenced before March 1869, ten miles to be



completed annually thereafter until the road should be finished.

The nominal capital stock of the company was \$1,500,000. The officers were E. S. Holden, president; R. B. Parker, vice-president; George Gray, treasurer; John Sedgewick, secretary; W. L. Dudley, John H. Redington, Willard Sperry, E. R. Stockwell, and J. K. Doak, directors. The failure of the mining industry in Copperopolis forced the company, in order to save its franchise and land grant, to transfer its rights to the California Pacific, which company constructed the road to Milton in Calaveras county, where it terminated.

In the latter part of 1869 a local company was formed, called the Stockton and Visalia railroad company, for the purpose of constructing a road through the San Joaquin valley southward to Visalia, which company obtained subsidies in bonds of the city of Stockton and county of San Joaquin to the amount of \$500,000. These bonds were issued, and placed in the hands of trustees to be delivered on the completion of the first section of the road. The California Pacific, which had not completed its former contract, agreed to construct the road to Visalia; but instead of doing so, it built a branch line from a point on the Copperopolis road twelve miles east of Stockton, to Oakdale, on the Stanislaus river, calling it the Stockton and Visalia railroad, hoping by this means to save all the subsidies; but the legislature requested congress to revoke the land grant, which was done. The Stockton and Visalia corporation tendered the short line built by the California Pacific company as a fulfilment of its purpose, but the trustees refused to deliver the bonds, and protracted litigation followed, the district court deciding for the city and county, and the supreme court reversing the decision, the case being finally compromised by the payment of \$300,000. Soon after the completion of the Stockton and Visalia short line, all the California Pacific's

interests were acquired by the Central Pacific, as already related, and these San Joaquin county roads with whatever belonged to them became part of its system.

In 1870 the Central Pacific commenced the construction of the San Joaquin valley railroad, now a part of the Southern Pacific, and had constructed the line to Modesto within the year. But before proceeding to consider the further achievements of the Central corporation, previous to considering itself liable to pay its five per cent to the government, some notice must be taken of other projected transcontinental routes and lines.

The course of the Central Pacific in avoiding the payment of its debt; refusing to be taxed, and only submitting after prolonged litigation; warring upon other corporations to build itself up on their ruins; interfering with elections; manipulating legislation: keeping fares and freights up to the "all it will bear" mark, and in general pursuing a thoroughly selfish and overbearing policy, created a prejudice so strong that it was a rare thing to hear a commendatory word spoken of it, although undoubtedly the rapid multiplication of railroads helped the development of the country as nothing else could have done. But though the public did not admit the right of any company of men—in this case it was a simple quartet—made enormously rich by the money and lands of the people, to control the affairs of the state, and even to shape national legislation, so powerful had they grown, and so cowardly had become the community through fear of personal pecuniary loss or disadvantage, they dare not say much.

One spot in their armor was alone vulnerable, and that was the fear of other transcontinental roads. This fear made them purchase the lease of the California Pacific to stop the Eastern Extension, which threatened to go to Salt Lake. The same fear to the present time makes them locate new roads on every

route where a road from the east might get a holding in California. Competition so much desired by the people is the dread of the great corporation. One of the immediate results of the purchase of the California Pacific, which included the boats of the navigation company, was an immediate increase in fares, both by rail and river, of nearly fifty per cent. Following closely on this combination was an understanding with the Pacific Mail company whereby the freights by sea were advanced, making another combination in its own favor. Even the ferry to Oakland by the old creek route was assailed by the Central Pacific ferry company. So the right of any other undertaking to exist, which was not directly or indirectly tributary to the aggrandizement of the Central company, was denied or ignored.

One of the arguments against being compelled to keep their contract with the government has always been that congress aided a northern and a southern transcontinental road—as if their right to monopolize the whole territory of the United States west of the Missouri river, or the Rocky mountains, or even the Sierra Nevada, was either a legal or a divine right—as if the people of the north and the south, of California, Mexico, Arizona, and Oregon, should forever pay tribute to a burdesome rate-gatherer, and congress should not come to their relief, or if it did, should itself be circumvented.

Such acts and principles are more worthy of feudal times than of the present civilization. Yet feudal times afforded no field for the indulgence of an unlimited and unquenchable rapacity; these latter days of high enlightenment and pure morality alone furnish such matchless examples of insatiate appetite fed by the hand of an intelligent people. The secret of it is, that the people recognize the fact that in spite of themselves, and in order to benefit themselves, the greedy ones must do some good to society; but the graciousness which should attend good deeds not being pres-

ent, the recipients of the benefits feel no sense of obligation, and the men who by reason of great material deeds might have made themselves a place in the world's remembrance, lose the sustaining power of moral greatness, and at the end of their threescore and ten years upon earth perish out of remembrance.

## CHAPTER VII.

### RAILWAYS—UNION PACIFIC AND OTHER LINES.

UNION PACIFIC ORGANIZATION AND EFFORTS—KANSAS PACIFIC—MANIPULATIONS AND COMBINATIONS—DENVER AND RIO GRANDE—ATCHISON TOPEKA AND SANTA FÉ—JUNCTION OF THE UNION PACIFIC AND CENTRAL PACIFIC—CREDIT MOBILIER—DIFFICULTIES ENCOUNTERED—TRAFFIC OF THE UNION PACIFIC—FAR-REACHING INFLUENCES OF THIS AND OTHER INTERMONTANE ROADS AS FACTORS OF PROGRESS.

THE Union Pacific railroad was not, like the Central Pacific when congress passed the incorporation act of 1862, prepared to make a beginning with a profitable local road, and having as a base of operations a country supplied with ample facilities, as has been previously remarked. The president had fixed the initial point at Omaha when there was no railroad nearer than 150 miles, nor was there any material, mechanical skill, or manual force anywhere in the country. Great obstacles were to be overcome before construction could be begun. Even the preliminary organization was not made until October 1863. The first officers of the company were John A. Dix, president; Thomas C. Durant, vice-president; and John J. Cisco, treasurer. The capital authorized by the charter was \$100,000,000, of which only \$2,000,000 was subscribed and ten per cent paid in at the start. The number of stockholders was reported to be not more than seventy, while the greater part of the stock was taken by a few persons, notably by Durant and Oakes Ames.

On the 2d of December 1863 inauguration ceremonies were observed at Omaha, where about 1,000

persons were assembled, among whom were Governor Sanders of Nebraska, the mayors of Council Bluffs and Omaha, and the railroad directors. Letters were read from President Lincoln, Secretary Seward, both too busy with civil war to have much time for these courtesies, and other prominent personages. Cannon boomed, speeches were made, and amidst shouts some shovelfuls of earth were thrown up, the whole followed by a banquet and a ball.

The following winter Durant spent in Washington, urging the amendments finally made in the incorporation act, which nearly doubled the resources of the company. Durant became general manager, and in 1864 the first contract was let. The year 1865 appears to have been devoted principally to gathering materials, which were brought by mule trains across the country, or from St Joseph or St Louis by river. Twenty sawmills were put up to manufacture lumber and ties; substantial brick buildings for car and machine shops sprang up as if by magic, with capacity sufficient for 300 miles of road. Between the 16th of September and February 1866, forty-five miles of road were completed.

The road-building now began in earnest. Surveying parties were pushed out across the continent in various directions to ascertain and locate the most available route, and after them followed the graders, and the construction trains. The force employed was not only an army in numbers—from 18,000 to 20,000 men—but was an army in fact, armed to fight Indians, and fortified, when taking rest, in subterranean huts, rising only far enough above the level of the earth to admit of a row of portholes to be used for defence against attack.

Meantime railroads were being rapidly built across Iowa to connect with and assist the construction of the Union Pacific. The Kansas Pacific, or trunk line as it was called, since known as the eastern division of the Union Pacific, let its first contract in



June, 1862, to Ross, Steele, & Co., to build 350 miles, and work was soon begun at Leavenworth. This company sold out its contract to John C. Fremont and Samuel Hallett, who began construction at Kansas City, July 7, 1863, and completed forty-three miles of the road-bed by the 18th of November following. On the 19th of December 1864, the road was opened to Lawrence; and in August 1871 to Denver, the last 150 miles being constructed by W. J. Palmer at the rate of one mile a day.

It was at first expected that the Union Pacific would be run by the way of Denver, but the surveyors determined otherwise. This decision placed the people of Denver in a position of doubt. The Kansas Pacific, which was then slowly making its way across the plains, undecided whether to go to Denver or Pueblo, was one possible outlet, the Union Pacific, located one hundred miles north, was another, between which they were called upon to choose. The Colorado Central railroad company was organized in July 1867, to build a line of railroad to the Union Pacific at Cheyenne, and Arapahoe county was called upon to vote a subsidy of \$200,000; but for some time action was delayed by the disposition of the company to make the terminus at Golden instead of Denver, and finally the arrangement fell through. In November, however, the Denver Pacific railway and telegraph company was organized, which on the 19th elected a board of directors, consisting of B. M. Hughes, president; Luther Kountze, vice-president; D. H. Moffat, jr, treasurer; W. T. Johnson, secretary; F. M. Case, chief engineer; and John Pierce, consulting engineer. The sum of \$300,000 was immediately raised, and the county voted a subscription of \$500,000 in its bonds the following December, the vote being 1,259 in favor of and 47 against aiding the road. Soon afterward a verbal arrangement was made with the Union Pacific to complete the road after it was made ready for the iron track. Congress

granted the right of way in 1868, when Governor Evans and John Pierce, representing the Denver Pacific, met the directors of the Union Pacific in New York, where a written contract was entered into, as follows: First, on the part of the Denver Pacific, the road should be graded and laid with ties; second, the Denver Central and Georgetown railroad company should be organized; and third, an application should be made to congress for a grant of land to the Denver Pacific; and on the part of the Union Pacific the road should be ironed and equipped. The contract for its construction was let in Cheyenne to T. C. Durant, and Sidney Dillon, who agreed to complete it when the Denver company had expended \$500,000 upon it. Ground was broken in Denver May 18, 1868. In the session of congress of 1867-8 application was made for a land grant, but before any action was had on the bill, an agreement was made with John D. Perry, president of the Kansas Pacific, to transfer to the Denver Pacific the land grant of the former company from Denver to Cheyenne, and the pending bill was amended so as to grant a subsidy in bonds to the Kansas Pacific as far as Cheyenne wells, which passed the senate, but failed in the house. In the session of 1868-9, however, a bill containing all the important features of the first was passed by both houses, and the line being made ready waited only for the promised completion by the Union Pacific.

At the annual meeting of the Denver Pacific in December 1868, W. F. Johnson was elected president, but he dying in March following, Evans was chosen to fill the vacancy. About this time an agreement was made with the Union Pacific to cancel the former contract, and sell the iron to the Denver Pacific, which company entered into a contract with the Kansas Pacific by which that company agreed to build to Denver, and to complete the Denver Pacific, taking a certain amount of stock of that road. The road

was completed to Cheyenne June 22, 1870. Thus the Kansas Pacific was hastened in its approach to the Union Pacific by the intervention of the citizens of Colorado. In 1880 it was consolidated with the Union Pacific, and is known as the Cheyenne division of that road. Like the Central Pacific, the Union Pacific has absorbed most of the branch and connecting lines since constructed, as the Julesburg branch, Boulder branch, Colorado Central, and Denver and South park. The Atchison Topeka and Santa Fé is its successful rival in Colorado, controlling besides its own line the Denver and Rio Grande. There was a struggle between the two companies in 1879 for the possession of the grand cañon of the Arkansas, when the Denver and Rio Grande came off victorious.

This corporation must be mentioned as an important entity in the life of the greatest of the mountain states, although not belonging to the Union Pacific system. It was organized in October 1870 by W. J. Palmer, A. C. Hunt, and W. H. Greenwood, since which time it has constructed 1,000 miles of road, much of it in the most startlingly difficult passes, cañons, and rugged regions. The scenery upon it is hardly surpassed for grandeur by any in the world.

The Atchison and Topeka company was chartered in February 1859 by the territory of Kansas, its purpose then being to construct a road from Atchison to Topeka merely. Its capital stock was \$1,500,000, with power to increase from time to time. The incorporators were S. C. Pomeroy, C. K. Holliday, Luther C. Challiss, Peter T. Abell, Milton C. Dickey, Asaph Allen, Samuel Dickson, Wilson L. Gordon, George S. Hillyer, Lorenzo D. Bird, Jeremiah Murphy, George H. Fairchild, and F. L. Crane. The company effected nothing until 1863, when new stockholders came in, the name was changed to Atchison Topeka and Santa Fé, a grant of land was obtained, by the state of Kansas in aid of this—and also of

another road—the grant being turned over to the road in question in February 1864, the legislature also authorizing the counties on the line to take stock in the company's road. It was not until 1869 that work was actually begun, between Topeka and Burlingame. The coöperation of eastern capitalists was obtained, and the road from Topeka to Newton with the Wichita branch, was completed in July 1871, and to Atchison in 1872. The limit of time in which to build the road or lose the land grant was ten years, six of which had slipped away when it was begun. Failing to get an extension of time, the company was forced to the greatest activity, and finally completed the road to the Colorado state line by the 1st of January 1873, thus making sure of their entire land grant in Kansas. Since that time it has added several branches, and extended its line westward, by consolidation with the Atlantic and Pacific, to the Pacific coast.

The Union Pacific, once fairly started, progressed vigorously. By the beginning of 1867 it had built 305 miles of road, which earned money as fast as equipped; by January 1868, 540 miles were completed, and in March 1869 it had reached Ogden, and, as we know, was joined to the Central Pacific May 10, 1869. This was rapid work, sometimes at the rate of four miles per day. There was a great diversity of opinion expressed as to the character of the work, and the right of the company under the charter to the government grants. The government directors criticised the construction severely; the public being pleased to have any road at all, winked at the deficiencies, and praised the enterprise of its builders. As to the road, particularly the portion latest constructed, when every energy was bent upon keeping the Central Pacific back from Ogden, it was certainly a flimsy pretense of a railroad. Whether to make mileage or to avoid grading, it turned and

twisted in a remarkable manner among the swells and depressions of the plains, the trestle work in places creaking threateningly underneath a train, after having been tied together with a rope to prevent spreading ! This was so in June, after the road was opened for travel. Gradually these faults were corrected at the expense of the company, until it was, with the Central Pacific, the most pleasant line of railway in America on which to spend a number of days. This impression was due greatly to the fact that the first-class carriages were occupied chiefly by through travellers, and to the good attendance and comforts furnished, which made the occupancy of a through car settled and home-like. Competitors have since arisen to divide the honors with the first transcontinental road ; but among them all this is justly preferred by experienced travellers in the matter of personal comfort.

We come now to consider the means by which the Union Pacific railway was constructed. The act of congress placed the capital stock of the company at \$100,000,000 and the shares, in the first place, at \$1,000, afterward at \$100. On the opening of books there was no scramble for the stock. The idea was too grand and vague ; and however much people might desire a transcontinental railway, they could not get near enough to it in their imaginations to see it completed and paying in their day ; hence subscriptions did not flow in readily. The whole amount of the ten per cent on the subscriptions was but \$218,000, and no company could obtain the control of the road with a less amount of money than \$51,000,000. These defects having been pointed out to congress, with the difficulty of placing the stock under the original act, the changes before spoken of were made. But even with these additional inducements there was little improvement in the status of the company, which was making its costly beginning at Omaha

with insufficient private means, bringing the company in debt over and above the amount paid in by stockholders to the amount of \$300,000, and obliging it to sell a portion of its material. This was in 1863-4. In May 1863 a committee was appointed to receive proposals and let contracts to private persons. H. M. Hoxie, a man of no means, a mere figure-head, took a contract in August for 100 miles at the rate of \$50,000 per mile, he to receive the securities of the company in payment. In October Hoxie proposed to subscribe \$500,000 if he could have his contract made to embrace the road between Omaha and the 100th meridian, which was accepted by the committee, John A. Dix, C. S. Bushnell, and George T. M. Davis. Three days later Hoxie assigned his contract for 247.45 miles to Thomas C. Durant, vice-president of the Union Pacific, and president of the Credit Mobilier of America.

This company was originally called the Pennsylvania Fiscal agency, and was incorporated under the laws of that state in 1859 for the purpose of becoming an agency for the purchase and sale of railroad bonds and other securities, and to make advances of money and credit to railroad and improvement companies, contractors, manufacturers, and to receive and hold in trust estates, real and personal, including notes, bonds, obligations and accounts of states, individuals, or corporations, and to purchase, sell and settle accounts, for such price and on such terms as might be agreed upon. Its capital stock should consist of 50,000 shares of \$100 each, and the company should pay to the state a bonus of one per cent on the sum requisite to be paid in previous to organization, which was five per cent, and should pay a tax upon the dividends exceeding six per cent per annum.

On March 3, 1864, Durant purchased the charter of this company for the purpose of using it in the construction of the Union Pacific railroad, and on the 26th of the same month the Pennsylvania legislature



passed an act to change the name to the Credit Mobilier of America. This was the means by which the Union Pacific was to build its thousand miles of railroad. An agency was established in New York, and also a railroad bureau of five managers, three of whom should be directors of the company, and have the sole management of railway contracts, subject to the approval of the president. The number of managers were subsequently increased to seven.

Previous to the amendment of 1864, the company purchased the outstanding stock of the Union Pacific, repaying the \$218,000 paid in. The shares were then of a par value of \$1,000. By the act of congress this stock was cancelled, and shares of \$100 issued in their place to the stockholders of the Credit Mobilier, which made it convenient for the holders of stock in both companies to pro rate it. This seems to show that the scheme which the Union Pacific afterward claimed was forced upon it by circumstances such as have already been pointed out, or something similar, was the only means by which the road could at that time have been built.

The contract assigned by Hoxie to Durant was performed, as was afterward shown on investigation, for \$7,806,183.33, and charged to the Union Pacific railroad company at \$12,974,416.24, making a profit to the Credit Mobilier of \$5,168,232.91, which was in stock and bonds of the railroad company estimated at par, but whose market value at the time was thirty and eighty-five cents respectively.

This contract being executed, a nominal agreement was made by Durant with one Boomer, for the construction of 153.35 miles of road west of the one hundredth meridian, for which Boomer was to receive \$19,500 per mile for that portion of the contract east of the north Platte, and for that portion west of the north Platte \$20,000 per mile, the bridging, buildings, and equipment to be additional. This contract was never ratified, although fifty-eight miles were built,

at a cost, according to the subsequent testimony of Durant, of \$27,500 per mile, including complete equipments. The board of directors in January 1867 by resolution extended the Hoxie contract over this fifty-eight miles, thus voting the Credit Mobilier, which was themselves, \$1,345,000, for which no consideration was received, the road having already been accepted by the government. This resolution was not acted on, owing to the protest of Durant, but the Hoxie contract was afterward made to cover this portion of the road at \$42,000 per mile, or \$15,000 more than its cost, as will be shown.

Although playing into each other's hands in this manner, there was not always peace in the councils of the two companies, and Durant was removed from the board of directors of the Credit Mobilier, and it was hinted by his opponents that the protest which he made was not so much from purity of motives as from a desire, should an investigation ever take place, of seeming purer than the other directors, which species of charges never amount to much. The Credit Mobilier, however, went on with the construction.

Another contract was made in March 1867 with J. M. S. Williams, for 267.52 miles at a cost of \$50,000 per mile, and included that portion already completed west of the one hundredth meridian, which amounted now to  $98\frac{1}{4}$  miles. A proviso in the agreement proposed that \$7,500 per mile should be reserved out of the payment. At the time of making this contract Williams had agreed to assign it to the Credit Mobilier, but owing to the protest of Durant, the Williams contract was not carried out. In this protest to the railroad directors he said: "I beg to call your attention again to the fact that part of this work has been done for weeks, and that contracts have been made, and merchandise delivered for nearly 150 miles of road, which the company has paid for, as shown by the books." Yet the Credit Mobilier was to be paid over again for this merchandise at its own price, and

the profits divided by the railroad company, which was the same thing.

Work was continued on the road until August 1867, 138 miles west of the one hundredth meridian was constructed and accepted, and a new agreement made. The average cost of the road and equipments, per mile, had been \$27,000. The contract now taken was for 667 miles of road, commencing at the one hundredth meridian, at prices ranging from \$42,000 to \$96,000 per mile. As in the previous contracts, there was an understanding that the contractor should assign to the Credit Mobilier. That contractor was Oakes Ames, who did not make the assignment as was expected, but it was made in October, as will be explained, to seven trustees, namely Thomas C. Durant, Oliver Ames, John B. Alley, Sidney Dillon, Cornelius S. Bushnell, Henry S. McComb, and Benjamin E. Bates.

The difficulties which beset the Union Pacific company should not be overlooked. Over three hundred miles had been built by the Credit Mobilier, which was only another name for the Union Pacific company. The Credit Mobilier took its pay in stocks and bonds, which it was necessary to convert into cash, but the incorporation act did not allow of the stock being sold or issued at less than par, whereas it would not bring more than a third of that on the market. The law also required that the books of the railroad company should show that the stock issued had been paid for in cash. It follows, then, that little stock was sold, although there were \$5,000,000 outstanding in 1868; and equally that stock could not legally be used to pay construction contracts. There must always remain the impression on the mind of the observer, that no sufficient effort was made to dispose of Union Pacific stock, and that it was kept out of the market with a design.

The plan adopted was for the railroad company to give its check for work done by the Credit Mobilier,

when this company gave back the same check to the Union Pacific company for stock and bonds, which was called a cash transaction. But cash there must have been to construct the road, and the insignificant capital of between three and four millions was very soon expended. The only other resource was money obtained on first mortgages, on government bonds, and by selling stock below par through the *Credit Mobilier*. At all events the 300 miles had exhausted their exchequer, and the *Credit Mobilier* as a constructor stepped down and out when Oakes Ames came to the rescue. Its influence however was to remain.

The contract made with Ames called for 100 miles of road at \$42,000 per mile, 167 miles at \$45,000 per mile, 100 miles each at \$96,000, \$80,000, \$90,000, and \$96,000 per mile, or \$47,915,000 in all. No contract so large had ever before been let to one individual in the United States. The signing of it took place on the 16th of August 1867, and 350 miles were, if possible, to be ready for acceptance before the 1st of January 1868; the Union Pacific company to transport all men and material at a price to be agreed upon, but not less than cost, and Ames was to have the right to use any material to be found on the railroad lands; and to change the grade or curvature of the road within the limits of the incorporation act "for the temporary purpose of hastening the completion of the road;" but the cost of finally reducing the grade and curvature to that established by the chief engineer should be deducted, and retained by the railroad company until it should be so reduced. He, his executors, administrators, or assigns, should receive from the railroad company, and enjoy the benefits of all existing contracts, and should assume all such contracts, and all liabilities of the company accrued or arising therefrom for work done, or to be done, or to be finished, for an account of the road west of the 100th meridian, crediting the railroad with all moneys already paid or expended.

Payments were to be made by the railroad company to the contractor in cash; but if the government bonds received by the company could not be converted into money at their par value, net, and the first mortgage bonds of the company at ninety cents on the dollar, net, then was Ames to be charged the difference between the amount realized and these rates, provided the company's bonds should not be sold for less than eighty cents on the dollar; and if there should not be realized from the sale of bonds enough to pay the contractor, then such deficiency should from time to time be subscribed by him to the capital stock of the company, and the proceeds of such subscriptions should be paid to him.

This contract was adopted by the executive committee on the 1st of October, with the assent of all the stockholders of the Union Pacific railroad company, the outstanding stock being nearly all in the hands of the Credit Mobilier. The next thing to be done was to get the control into the hands of a few principal stockholders, so that there should be no change of management before the road should be completed.

All things being in readiness an assignment of the Ames contract was made, not to the Credit Mobilier direct, but to the seven trustees already named, with Durant at the head. In this arrangement the Credit Mobilier figured as "the party of the third part," and as being willing to loan to Oakes Ames, or the party of the first part, such sums of money as might be necessary to complete the contract; "provided sufficient assurance may be made to said party of the third part that said sums shall be duly expended in the work of completing said railroad, and telegraph line, and that the payments for the faithful performance of said contract by said railroad company shall be held and applied to reimburse said party of the third part for their loans and advances, together with a reasonable interest for the use of the money so loaned and advanced; and whereas said party of the

third part fully believes that said contract, if honestly and faithfully executed, will be both profitable and advantageous to the parties performing the same are therefore willing to guarantee the performance and execution of the same for a reasonable commission to be paid therefor; and whereas both parties of the first and third part have confidence and reliance in the integrity, business capacity, and ability of the several persons named as parties of the second part hereto, and confidently believe that said persons have large interests, as well in the Union Pacific railroad company as in the Credit Mobilier of America, they will execute and perform the said contract and faithfully hold the proceeds thereof to the just use and benefit of the parties entitled thereto;" therefore the assignment was made to the parties of the second part, who should perform all the terms and conditions of the contract agreed to by Ames, and should hold all the avails and proceeds of the contract, and from them reimburse themselves and the Credit Mobilier for all moneys advanced and expended by them in its execution, for which services each trustee should receive \$3,000 per annum; all the residue of the proceeds of the contract to go to the use and benefit of the several persons owning shares in the capital stock of the Credit Mobilier at the time this agreement was entered into, to be paid over in June and December of each year—with other conditions not necessary to be given here.

Was there no other means but this very peculiar one of putting vitality into the affairs of the Union Pacific? Even at this day, after tedious investigation and searching examination of the subject, some express doubt whether Oakes Ames did not take the contract simply to turn it over to a board of trustees, composed of the principal stockholders and directors of the two corporations, who by this means could use for their exclusive benefit the government franchises, gifts, and loans of credit. On the other hand



some are ready to affirm that the Credit Mobilier as a corporation was not concerned in this contract or its execution; and they cite the hostility of Durant to that company. It is contended that the Credit Mobilier had come to the end of its tether, that contractors with the means could not be found, and that as a last resort, sooner than witness the failure of the enterprise, Ames had taken the contract with high and honorable motives. But upon making the assignment he was released from any personal liability, and became like any other consenting stockholder individually liable to the extent of his interest, which was a very great one.

A curious feature of the transaction was, that while the arrangement above described was being made, a period of two or three months, and before the Ames contract began to be carried out, the construction of the road progressed as rapidly as ever, and 238 miles embraced in this contract were completed; or, as expressed by Crawford in his strictures on the Credit Mobilier, "one-third of the whole contract was completed before a stroke had been done." These 238 miles, which cost at the rate of \$27,500 per mile, were paid for to the stockholders of the Credit Mobilier at the rate of \$42,000 per mile, the difference of between \$2,500,000 and \$3,000,000 of this money going apparently to the members of the company in a dividend declared by the Credit Mobilier two months after the assignment, namely in December 1867, of \$2,244,000 in first mortgage bonds of the railroad company, and an equal amount in the stock of the company. Even at the rate at which these securities were selling at the time, the dividend would have a cash value of \$2,580,600, which was paid to the trustees, and through them to the Credit Mobilier for work done by them without contract; although from this amount should be deducted \$1,104,000 paid by the trustees on account of the road included in the Ames contract.

The last of the Union Pacific contracts was for 125.23 miles, on the same terms and conditions as the Ames contract, and was assigned to the same trustees by one Davis. At the completion of the road the company was \$6,000,000 in debt, which, with the expenses necessarily incurred in opening a new route and creating a settled business, had to be furnished by individuals, the whole proceeds of the first mortgage and government bonds having been absorbed in the extravagant haste of building this 1,000 miles and more of road in four years, without other means.

There is a story told of Durant's embarrassments at the close of the work, which illustrates the situation of the companies at the opening of the road. About \$12,000 was owing to employes, which was not forthcoming, and which the men needed before going their several ways. Durant and his friends were on the way out from Chicago to take part in the ceremonies of the formal joining and opening of the Central and Union Pacific roads, and occupied a special car attached to the train bearing passengers and mails. When the train arrived at Piedmont, a station in the midst of a "howling wilderness," it was found that a barricade had been thrown across the track, which was guarded by between two and three hundred men, armed and grim-looking. As the train slowed up, the engine was taken possession of, and a hasty search made of the cars to find Durant, who when found was as hastily locked in, while this car was moved off on a side-track. The train was permitted to proceed, but Durant was held a prisoner while the captors demanded the \$12,000. It was in vain that he explained that he was only on a pleasure excursion, and had no money with him. They were in serious earnest, and would not take a refusal. "There was the telegraph," they said; "let him send for the money." And finding no escape from the predicament, Durant did resort to the telegraph, and the business was arranged between Chicago and Chey-

enne. The incident, however, delayed the laying of the last rail for twenty-four hours.

Two or three years after the completion of the Pacific railroad, there was an investigation of the proceedings of the Credit Mobilier, and its connection with senators and congressmen, who in some mysterious manner had become possessed of stock in that company. It is unnecessary to go over the arguments for and against it. The point about which we are chiefly concerned is the work accomplished, and its cost and profits. The contract price, at par, it appears, was \$93,546,287.28; the actual cost to the contractors was \$50,720,958.94, leaving a profit of \$42,825,328.34, which with a payment made to the Credit Mobilier on account of fifty-eight miles of road is increased to \$43,929,328.34.

The cash profit, at the market value of mortgage bonds, government bonds, and railroad stock, was \$23,374,914.81. But it was claimed that the various other expenses attending the final completion of the road, and in finding a market for the securities during the work of construction, reduced the actual net profits on the various classes of bonds to \$8,141,903.70, and that this was not too great a bonus for the expenditure of \$50,000,000. Even admitting this to be true, the money expended belonging to the people, it was to the people or the government that the bonus should have been returned, there remaining the road, the land grant, and whatever could be made out of the stock in the future, to compensate the directors and stockholders of the railroad. To have applied this excess to extinguishing the debt of the road would have been an approach to the probity which should distinguish a great and honorable corporation, and that such proceedings were allowed to pass has been a reproach to the character of the nation.

The analogy between the Credit Mobilier and the Contract and Finance company of the Central Pacific

is evident. The former expired with the completion of the Union Pacific railroad; the latter has continued its operations ever since it was organized. It has been said that the Credit Mobilier violated no law, or that the railroad was justified in contracting with itself, and violating the incorporation law through the sham company consisting of its own directors, because it was difficult to get contracts taken for the Pacific railroad. It is true that the state of the country and its finances at the period when contracts were solicited—if they were solicited in earnest, which may be questioned—were not favorable to costly enterprises; but it is folly to represent that with all the various projects put forward for years for building the road, no persons could be found ready to take contracts under so favorable a proposition as that offered by the government at the time. The excuse has been offered that there existed a necessity for rapid construction on account of the existing civil war. The fact was, however, construction was put off in order to perfect the Credit Mobilier arrangement until the war was over, and was then hurried through in order to make a finish while the directory remained the same. The report made by the president in May 1870 gave the following condition of the company, from the treasurer's memorial:

|                          |              |              |                  |
|--------------------------|--------------|--------------|------------------|
| Cost of road.....        |              |              | \$106,245,978 48 |
| Capital stock.....       |              | \$33,762,300 |                  |
| FUNDED DEBT:             |              |              |                  |
| First mortgage bonds..   | \$27,237,000 |              |                  |
| United States bonds....  | 26,915,000   |              |                  |
| Land grant bonds,        |              |              |                  |
| \$10,400,000             |              |              |                  |
| Less amount cancelled    |              |              |                  |
| \$407,000                | 9,993,000    |              |                  |
| Income bonds.....        | 10,000,000   | 74,145,000   | 107,997,300 00   |
| ASSETS:                  |              |              |                  |
| Land grant b'nds, unsold | 2,136,000    |              |                  |
| Income bonds.....        | 1,837,000    |              |                  |
| Central Pacific bonds... | 1,358,000    |              |                  |
| Pullman car stock.....   | 260,000      |              |                  |
| Due for mail service.... | 217,000      |              |                  |
| Cash on hand.....        | 437,000      |              | 6,345,530 00     |

It will be observed that the cost of the road is here placed at over \$106,245,978.48, which is \$12,699,691.20 more than the three contracts with the railroad company called for, as shown above ; and about \$6,000,000 more than on the investigation was claimed, with all the extra expenses added. Over and above the road, its assets were put down at something over the sum of \$6,000,000. The difference of a few millions, one way or the other, appears immaterial to government-aided corporations.

The business of the Union Pacific was from the first profitable. Considerable effort has been made to create an impression that to the railroad was due the settlement and business of the middle territories west of the Missouri. Such is not the fact. There was a freighting business in each one of the territories of Colorado, Montana, and Utah, amounting to many millions long before the railroad reached them ; therefore the railroad did not create this business, although it did facilitate it. The railroad builders claim the credit of subduing the Indians ; and probably by their number, and efficiency as an armed force, they did check Indian depredations during their occupation of the country ; but the Indians had been severely punished by volunteer troops just previous to the commencement of railroad construction, and as soon as the civil war was over United States troops occupied the country, taking the place of volunteers. These troops have suffered much at the hands of the savages in at least two wars since the Pacific railroad was completed, and in spite of it.

When it is claimed that the road has been a blessing and a success, no one denies it. That it would be such was prognosticated from the moment of its inception, thirty years before it was built. Because it was known that it would be, congress was besieged by Pacific railroad-bill makers for nearly that length of time, and only prevented from passing some of them by partisan and sectional jealousies. A railroad may

be a blessing, by whatsoever means it may be constructed.

That the enterprise considered by itself was a magnificent one, no one could wish to deny. It was great if only by distance; it was enormous from its outlay; it was grand in the idea of connecting the two great oceans and their commerce; it was patriotic, politic, civilizing in its intended scope on this continent, and its influence on the eastern nations; it was a boon to the immigrant, and the dweller by the Pacific as well; it assisted science, and cultivated the arts by opening to them the door of access; it enabled all who could pay for the privilege to steep their souls in the enjoyment of the world's grandest scenery, and became thus and for all these reasons a great educator; and further than this, it was the genius of the American people which conceived it, and the money of the American people which paid for it.



## CHAPTER VIII.

### RAILWAYS—IN THE SOUTH.

A SOUTHERN ROUTE EARLY ADVOCATED—ALONG THE THIRTY-FIFTH PARALLEL—THE SAN DIEGO LINE—SOLID MEN OF BOSTON—POWERS OF CONGRESS QUESTIONED—THIRTY-SECOND PARALLEL ROUTE—EFFECT ON NATIONAL UNION—ORGANIZATION OF THE TEXAS WESTERN—LEGISLATION—CONSTRUCTION—AGITATION AT SAN DIEGO—ORGANIZATION AND SURVEYS OF THE SAN DIEGO AND GILA SOUTHERN PACIFIC AND ATLANTIC RAILROAD COMPANY—LOS ANGELES IN THE FIELD—ATLANTIC AND PACIFIC.

It is perhaps worth mentioning, in connection with the southern route to California, that J. N. Davis, then of the postoffice department, in 1853 claimed that he was the first person to advocate that route, having in June 1847 published in the *American*, a journal issued in Washington, a series of articles advocating a railroad from the Mississippi to San Diego, in California. The surveys of 1853 confirmed his views. Jefferson Davis, then secretary of war, analyzed and scrutinized the reports of the expeditions in his report of February 27, 1855, having first submitted them to the criticism of Captain A. A. Humphreys for his opinion, with the result that the southern route was preferred.

There were rival southern routes, particularly that one which crossed the Colorado at the Needles, called the thirty-fifth parallel route; but the San Diego line was the favorite with eastern capitalists. The reasons for this preference were set forth in the reports—fewer elevations to overcome, less distance, and the absence of snow. Great impatience was exhibited by the people of San Diego and Los Angeles to learn

the result of the surveys of 1853, which, when they had received, there began a rivalry between these two points for the location of the terminus of the southern transcontinental. Thus while central California had been holding conventions, and building railroads, from all of which the southern counties held aloof, it was not at all from indifference to the subject, but from a choice of routes so prejudiced as to amount to a separate interest.

It has been noted that every railroad of any importance, which was planned or constructed in California previous to the Pacific railroad act of 1862, which adopted the Central Pacific, expected to become a part of the great interoceanic line. But quite as much did the roads running westerly in the Atlantic states endeavor to ally themselves with a Pacific railroad, and not a little speculation was maintained by persuading the people in different parts of the western states each new scheme had its relation to the greater one. This led, of course, to opposition between companies of capitalists who hoped to receive the government subsidy which congress so long held out as an inducement to railroad men.

The first overt movement looking to this object was made in Boston in 1849; but although the projectors proposed to commence their road at St Louis, the press of that city exposed to the people the "enormous speculations meditated by those who conceived the Boston project." This attempt being frustrated a company was formed in New York in 1853, which the St Louis papers claimed was traceable to the Memphis convention of 1849, where it was shadowed forth by a resolution recommending the survey of the southern route. The resolution was followed up by an elaborate address by Lieutenant Maury, who asserted the claims of the southern route above all others, and labored to associate the measure of constructing the southern road with the project of a ship canal across the Isthmus. This, said the *Western*

*Journal*, would bring the strength of New York and other eastern states to support the southern route.

Arguments against the powers of congress to create corporations had been revived, in connection with the assumed incompetency of congress to prosecute public works in the different states, with a view, it was said, of embarrassing congressional action, and throwing the location of the road and the emoluments into the hands of the New York company. It might be expected, said the prophets, that the organization and settlement of Nebraska would be opposed with the intent to prevent the construction of a road commencing on the western boundary of any of the states north of Texas, the plan of the New York company being to build through the state of Texas to the Rio Grande without the aid of the general government, but partly by means of a generous grant of land from the state of Texas, congress or Mexico being expected to aid the enterprise from there to the Pacific.

A congress of the various railroad interests was held in New York in 1853, which resulted in the formation of a union, the object of which was to extend one trunk line through Texas on the 31st or 32d parallel to the Rio Grande. The lines which were named as tributary to this trunk line were the road from St Louis to Iron mountain, thence to Little Rock, Arkansas; the Illinois Central, then nearing completion, and its branches; the road from Cairo to Fulton, Arkansas; the road from Memphis to Little Rock; the road in course of construction to Mississippi from the east via Charleston, Savannah, and Vicksburg, to terminate at Shreveport, Louisiana; a line in course of construction north from Mississippi, and another west, to Opelousas, Logansport, and Shreveport; a road from Galveston, and another from Houston, in Texas, which could be used to convey material for constructing the trunk line, in which the representatives of \$150,000,000 were interested.

Robert J. Walker of Mississippi was the first subscriber to the stock of this road, a corporation duly formed under the laws of the state of New York, and his modest subscription was \$10,000,000. It is an instance of the finessing of southern politicians that this company was organized at the north. *De Bow's Review* for December 1854, speaking of the southern states, has this significant passage: "The constitution forbids their forming any political league or compact among themselves. They can make no treaties with foreign powers, coin no money, emit no bills of credit, maintain no navy. Up to this time each has been isolated from the other with no alliances of any kind to knit them together and enable them to present a firm front against aggression. To demonstrate to the northern states that there are modes by which the southern states can unite themselves together as one man strictly within the constitution, for a legitimate, peaceful and laudable purpose, calculated infinitely to increase their wealth, prosperity, and power; that they can do this by becoming, as no one can deny they have the right to become, stockholders in a corporation chartered by one of themselves; by devoting to a great object their united means, and those of their citizens, and by finding a way to the trade of China and the Indies, over foreign soil, if need be, purchased and owned by the corporation—would be worth to the South ten times the cost of a railroad from the Mississippi to the Pacific ocean. . . It is therefore not improper for us to suggest that, much as we need a southern railroad to the Pacific now, while in the union, we should need it infinitely more, it would be absolutely and literally indispensable, if the north and south were to separate. Thus only could we maintain a foothold upon the Pacific coast. Thus only could we rival the north in the struggle for preëminence. Offering the shortest, the most practicable, and the cheapest route from the Pacific to the Atlantic, a southern road would bind California to us with hooks

of steel, and making separation an incalculable loss to the north, it would go far to render a dissolution of the union impossible. We are satisfied that the Pacific railroad neither can be, nor ought to be, built and owned by the general government. If it were, it would, in our opinion, be a great public calamity. The legitimate powers of that government are already quite large enough for the welfare and security of the southern states. Add to them the patronage, the wealth, the influence, the power over the commerce of the country which that road would give, and state sovereignty would be no more than a name."

This outspoken talk of disunion, and of binding California to the south with hooks of steel, had its effect not only in congress, as previously shown, but operated unfavorably in other ways. Texas, however, took the first practical step in the direction indicated by offering sixteen sections of land per mile, from the Sabine to the Rio Grande to the company which would construct and complete a railroad between those boundaries, a distance of 783 miles.

A company was organized under the title of the Texas Western railroad company, which was to construct its road from Shreveport to El Paso, twenty-six miles less than one-half the distance to San Diego. With such a prize as the land grant offering, there were likely to be bidders, and that Walker's company should obtain the contract. Nevertheless he failed at first, and only after considerable management succeeded under a second advertisement for proposals in securing the contract.

The legislatures of the several southern states were asked to enact laws favorable to the construction of the projected railroad, and its branches, and most, if not all of the Mississippi states south of the Ohio had established railroad funds of from \$6,000 to \$12,000 a year in aid of such improvements. Texas also supplemented its land grant with a loan of \$6,000 per mile without interest, to the road from Shreveport



to El Paso. But everything was still experimental. Many interests were to be harmonized, capital had to be conciliated ; sectionalism to be avoided, and political jealousy overcome.

At a meeting in New York on the 6th of October, 1856, \$22,000,000 of the five per cent stock of the Texas Western railroad had been issued, \$19,000,000 being represented personally or by proxy. Robert J. Walker was president of the meeting, and George F. Allen of New York secretary. It was decided that the rights of the company to its various grants under its charter should be immediately secured by the construction of a small section of the road. The prospects of the company were declared to be good, with a liberal charter, a liberal land grant, and an assured loan per mile. The first 800 miles were regarded as secure, and with 300 more in California in charge of an organized company, there was only that portion between the Rio Grande and the Colorado, 500 miles through the Gadsden purchase, for which aid need be sought from the general government.

The directors chosen at this meeting were Horatio Allen, New York ; F. M. Dimond, Rhode Island ; T. Butler King, Georgia ; R. M. Stratton, George D. Post, Edwin Post, R. J. Walker, Samuel F. Butterworth, all of New York ; General William Cook, of New Jersey ; and Michael G. Bright, of Indiana.

In April 1857 there was a reorganization at New Orleans, and the name of the road was changed to Southern Pacific. After this change there were left some unsettled claims against the company which the executive committee in New York were called upon to adjust. Rumors of fraud in these settlements, and of fraudulent issue of stock, with charges that the New York committee were issuing large quantities of stock at one dollar a share on which five dollars a share had been paid, were widely circulated to the detriment of the company. The company demanded



an investigation, when the charges of fraudulent and wasteful transactions were disapproved.

The affairs of the company at this time, April, 1857, were stated as follows:

|                                         |                |
|-----------------------------------------|----------------|
| For stock issued, 5 per cent. down..... | \$2,474,790 50 |
| Interest on stock.....                  | 39,345 18      |
| Stock issued in New Orleans.....        | 322,782 56     |

|                                                                                                                                                                                       |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Making a total of.....                                                                                                                                                                | \$2,836,918 24 |
| But by an agreement a part of the assets on hand had been sold, to be paid for in the capital stock of the company, which when carried out would reduce the outstanding stock to..... | 2,566,354 95   |
| Besides which would be cancelled.....                                                                                                                                                 | 200,000 00     |

|                                                                  |                |
|------------------------------------------------------------------|----------------|
| Leaving the amount of stock issued.....                          | \$2,366,354 95 |
| Making an actual reduction in stock issued to the amount of..... | 460,064 00     |

which figures have some interest as belonging to the history of the great southern railway.

The company had contracted for the construction of twenty miles of road, twelve of which were completed in March 1858, at which time the five miles further were graded, and the iron was in readiness. A contract was also let for grading eighty miles, and as soon as twenty-five miles should be in running order the company would receive 256,000 acres of land.

But when the commercial crisis of October 1857 swept away fortunes like cobwebs, the company found it impossible to either pay their existing liabilities or prosecute their undertaking. With a view to saving their charter, and to induce capitalists to loan money to carry on the work, to the extent at least of twenty miles, a deed of trust was executed, which had the effect of bringing forward the means to complete the first section, and arrangements were made for extinguishing the debts of the corporation. This left the charter intact, but the road was completed no more than fifty miles, with fifty more miles of grading, when the civil war broke out, and all of the iron laid was taken up and devoted to confederate government uses.

This ends the story of an enterprise begun with great hopefulness. It was no doubt largely a politi-

cal movement, to endeavor to secure a hold on the territories of the Pacific, including California and northern Mexico. Had it succeeded before the war began, the confederate army would have given the Pacific coast enough to do to repel it, and blood would have been freely shed in the new as well as the older states. Contemplating the history of the Southern Pacific of Texas, it is easy to understand the opposition in congress to the older Pacific roads, and of the north to this one, and the fact that when Gwin was chairman of the special Pacific railroad committee, he craftily advocated three lines, but in the bill gave the central route one section of land per mile, and the southern ten, and managed to have the bill passed in the house, "under the whip and spur of the previous question."

There were abundant reasons why, in California, there should be the same disparity of sentiment concerning the proper location of a Pacific railroad which existed in the states east of the Mississippi. The immigration from the southwestern states which, ever since the opening of the route by Colonel Cook and the Mormon battalion in 1846, had taken the route via El Paso and the Gila river, entering the state at Fort Yuma, could see no reason why a railroad should not be built along this route, but were ready to declare there was every reason why it should, namely, climate, general level, and directness to the Pacific ocean. This immigration for the most part settled in the southern counties, where they continued to find it for their interest to advocate a southern railroad.

In the summer of 1853 the citizens of San Diego held public meetings, and published a report upon the subject of a railroad from the Atlantic to the Pacific, setting forth at length the advantages in favor of the southern or Gila route over the northern, and petitioning congress to make an appropriation to pay the expense of a preliminary survey of both routes, prog-

nosticating, however, that the decision must be in favor of the southern as shortest, cheapest, most practicable, and most profitable. The agitation in regard to a choice of routes kept pace in California with the discussion of this subject in congress. Early in 1853 the *Los Angeles Star* published an elaborate leader on the subject, in which the Gila route is called the central route, and in which it was declared that such a road would run through one of the richest sections of the habitable globe.

In the latter part of 1854 a railroad company was organized in San Diego under the title of the San Diego and Gila Southern Pacific and Atlantic railroad company, with a capital of \$5,000,000; the corporation being formed in accordance with a general railroad law passed at the previous session of the state legislature. The president of this company was J. W. Robinson; vice-president, O. S. Witherby; treasurer, Louis Rose; secretary, George P. Tibbetts; directors, J. W. Robinson, H. S. Burton, E. W. Morse, Joseph Reina, John Hayes, M. M. Seeton, L. Rose, L. Strauss, J. R. Gitchell, George Lyons, O. S. Witherby, W. C. Ferrell, and D. B. Kurtz. An assessment of one per cent was at once laid upon the subscriptions, amounting to more than \$200,000, and a preliminary survey was immediately set on foot, in order to demonstrate the fact that a practicable railroad pass existed in the mountains lying between San Diego and the desert. It began at the foothills of the western slope of the range, and was carried through valleys and cañons leading to the lowest known summits of the mountains, and through a system of similar passes to the foothills of the eastern slope, connecting with the United States railroad survey of lieutenants Williamson and Parke.

Having established the existence of a feasible route, although involving grades unusually high, the survey on the west of the mountains to tide-water was undertaken, completed, and the results presented to the

company. The course selected was along the valley of the San Diego river in a northeast direction to the mouth of Oakwood cañon, and through it in a direction nearly due north, across the valleys of Santa Isabel and San José to Warner's rancho, a distance of sixty miles, where the line deflected east and south, descending in thirty miles from the summit at Warner's to the borders of the Colorado desert at Vallecito, on Carriso creek, from which point it followed closely the course of the wagon road to the mouth of the Gila, at Fort Yuma. The greatest height above sea-level on this survey was 3,629 feet, at San Felipe valley, and the greatest grade 107 feet to the mile in Oakwood cañon. The desert was found to be as described by Lieutenant Williamson, "the least difficult part of a railway route to California," for instead of being composed of loose and sandy material, its basis was a compact blue clay, so hard that the wagons scarcely left a track upon it, and therefore needing little preparation for laying down the iron rails.

A greater difficulty than any of the mountain passes was the crossing of the Colorado. The bottom lands of the river were wide, and the elevated and knobby sand plains on either side too far apart to be spanned, and not far enough apart to admit of a gradual grade. About the valley was, moreover, subject to overflow. The only proper site for a bridge was about three hundred yards below where the sea-green Gila and the chrome-colored Colorado united, these wedded streams forcing their way through a hill of solid rock a mile in thickness, chiefly porphyritic with compact crystals of feldspar, and furnishing the best possible abutments for a bridge. At this point the gorge was but 350 feet across, while above and below it was from 800 to 1,500. A single span of 400 feet, with an elevation of 40 or 50 feet above low-water mark was all that was required at this place. On the west summit, 75 feet above the river, was Fort Yuma, with a permanent garrison,

with a small settlement about it. In short, although there would be required deep cutting and heavy gradients, there were believed to be no insurmountable obstacles to railroad construction on this route. At this crossing of the Colorado there was a positive advantage, inasmuch as owing to a singular bend of the river after it received the Gila, both banks, for a distance of seven miles below the junction, owing to a stipulation in the treaty with Mexico defining the boundary as a straight line from the middle of the Rio Gila where it united with the Colorado to a point on the Pacific ocean distant one marine league south of San Diego, were in United States territory. Should a considerable town ever grow up there, the possession of both banks of the river for so long a distance would be of importance.

Williamson had said in his survey that to reach San Diego from the mouth of the Gila it would be necessary to go by the more northern pass of San Gorgonio, in the Glacier mountains, and thence to and along the coast, turning the mountainous country to the south; for in his judgment the Warner pass presented too many difficulties to be used for a railroad route. The distance by the San Gorgonio route would be 315 miles, against about 200 via the Warner pass.

During the same season A. Finklenburgh, a civil engineer, said to be in the service of an English company, gave out that he would make a reconnoissance for a railroad route from San Diego to Salt Lake City, but probably renounced the undertaking on finding no funds to his credit for the purpose. But the expectation helped to sustain the hopes of the San Diegans, who openly rejoiced in the prospect of two great roads terminating upon the waters of their beautiful bay; one from the Atlantic through Texas via El Paso, and the other from the heart of the continent.

But Los Angeles had precisely the same interest in the Gila route that had San Diego, and for the



same reason—to make herself the terminus of a trans-continental railroad ; and having set up as a rival of its more southern neighbor, favored the San Geronio pass, and the circuitous route to the Gila, and in this opinion they were sustained by Parke, who had recently made his reconnoissance. Prior to the Gadsden purchase, he said, a portion of this route ran through Mexican territory, for which reason congress was opposed to the southern as against the central route, a reason which did not now exist ; and from Los Angeles to the Gila, and from the Gila to El Paso fewer obstacles existed than on any railroad route yet surveyed or explored. This route also had received more encouragement from substantial men of New York and Boston than either the central or northern surveys. To all this preference the secretary of war in his report on the several government explorations gave his assent and assigned apparently irrefragible reasons. It was but natural, therefore, that the people of southern California, as well as many of northern California, should form their opinions upon such authority. Should this railroad be built, and they of the south so believed, then the strife lay between the three seaports of San Diego, San Pedro, and San Francisco. None would refuse to recognize the claims of the latter, but it was so far north ! and to reach it would add 421 miles to the length of the road above the middle port.

While Los Angeles inquired “Who, out of San Diego would be biased in favor of that port ?” the San Diegans kept up a stout heart, and the San Diego and Gila Southern Pacific and Atlantic railroad company—whose name is too inconveniently long to be often repeated in full—was holding regular meetings, supporting its organization, and doing all in its power to secure connection with a company east of Colorado. Senator Rusk, of Texas, in correspondence with W. C. Ferrell, one of the directors, in 1854



assured him that companies were actively constructing roads from the mouth of the Ohio to Vicksburg, New Orleans, and the Texas line ; and that contracts would be let on the Texas Pacific on the first of August, three different companies having filed bids. Thus stimulated, the people of San Diego county subscribed \$4,000,000 toward the construction of any railroad which should first be built to the Colorado river ; whereupon the Marysville *Herald* wailed forth, "If the people in this end of the state prefer the advancement of southern interests to the protection of their own ; if they are anxious to have the Atlantic and Pacific—there seemed a great confusion of names at this period—terminate at Guaymas or San Diego, and corkscrew up to San Francisco over and through the Coast range, as providence and the national government may permit, instead of having it brought from the Humboldt pass and carried to the interior along the sources of the Sacramento, why they can do so, and have nobody to blame but themselves."

The press of Los Angeles said, "The people must wake up. San Diego is straining every nerve to get a road," and referred to Parke's intended survey from the neighborhood of San Francisco bay through the pass of San Miguel to and down the Mojave to the Colorado, and thence to El Paso, which was completed in 1855. He pronounced the route of his survey from San Francisco to Los Angeles entirely practicable, although circuitous. The distance from Los Angeles to the Gila river was about 200 miles, over an almost entirely level route, the San Gorgonio pass presenting the only difficulty, and that for a short distance. It was thought that \$20,000 a mile would be ample to build a road on this route.

In April 1855 the legislature of California passed an act authorizing the board of trustees of the city of San Diego to convey to the president and directors

of the San Diego and Gila company two leagues of pueblo or public lands belonging to the city, to aid in its construction ; and the lands so conveyed could be sold, released, or hypothecated to raise funds for this purpose, and no other ; and on the failure of the company to complete the road within ten years from the date of their charter the lands so conveyed should revert to the city of San Diego ; this grant to the Gila and San Diego company to receive the approval of the people at an election to be held for the purpose, which it is needless to say was accorded.

Through all the vicissitudes of the eastern company with which it was allied, the San Diego and Gila company kept up its organization, waiting impatiently for the resuscitation of the Texas corporation, or for some successor to it to appear. In 1859 occurred the railroad convention, to which all the counties were expected to send delegates. San Diego held a meeting and elected hers ; but it happened that there was no steamer to San Francisco for a period of twenty days, and that delegates could not reach there on or before the date fixed for the assembling of the members. In this exigency another meeting was held in San Diego on the 23d of September—the convention having met on the 20th and continued five days—and George H. Ringgold, then in San Francisco, was notified to act as the representatives of that city and county.

Meanwhile several citizens of San Diego in San Francisco, aware that no delegation could reach there in time for the meeting of the convention, held a consultation, and determined to choose from their number delegates to supply the places of the absent ones, and chose Ringgold, thus twice elected, and J. Judson Ames, who were, by courtesy only, received as members. One of the first acts of the convention was to pass a resolution declaring that there should be two termini for the Pacific railroad, one in San Francisco, and one in Oregon, ignoring the fact that up

to this time San Diego had done more in proportion to her resources, to secure the railroad, and had received more encouragement from eastern capitalists than any other point on the coast. The southern delegates, being in a hopeless minority, decided to retire from the convention rather than seem to support these proceedings to the detriment of southern California, and did so withdraw, Wozencraft, of San Bernardino, having first presented a protest, which was laid upon the table. This was the beginning of an active hostility between the advocates of southern and northern or central routes in California. The circumstances which caused the final choice of the central route, which have been fully explained, put an end for the time to the operations and expectations of the San Diego and Gila company, as well as those of the Texas corporation. The former applied to the legislature in 1861 for an extension of time, and immunity from forfeiture of charter in case of further failure to commence operations within a given time.

At the close of the war, railroad companies in the east began to consider the opportunities offered for the renewal of interrupted enterprises. Among the first to move in the cause of internal improvement was a company incorporated under an act of congress approved July 27, 1866, calling itself the Atlantic and Pacific railroad company. It proposed to construct a railroad beginning at or near Springfield, Missouri, running west to the state line, thence by the most eligible route to a point on the Canadian river, thence to Albuquerque, on the Rio Grande del Norte, thence by suitable passes to the Colorado Chiquito, thence along the thirty-fifth parallel to the Colorado river, and thence by the most practicable route to the Pacific. The company also proposed to build a branch from its main line, at the point where it should touch the Canadian river, eastwardly to a point in Arkansas, at or near the town of Van Buren.

The incorporators named in the act were John B. Brown, Anson P. Morrill, Samuel F. Hersey, William G. Crosby, Samuel E. Spring, Samuel P. Dinsmore, of Maine; N. S. Upham, Frederick Smyth, Onslow Stearns, S. G. Griffin, William E. Chandler, of New Hampshire; T. W. Parke, H. H. Baxter, John Gregory Smith, A. P. Lyman, of Vermont; Walter S. Burges, William S. Slater, Stephen Harris, Thomas P. Shepard, of Rhode Island; William Merritt, Alexander H. Bullock, George L. Stearns, Genery Twitchell, Charles H. Warren, Chester W. Chapin, of Massachusetts; John Boyd, Robert C. Wetmore, John T. Wait, Cyrus Northrop, of Connecticut; Solon Humphreys, J. Bigler, Homer Ramsdell, Isaac H. Knox, John A. C. Gray, Daniel L. Ross, A. V. Stout, M. K. Jessup, R. E. Fenton, E. L. Fancher, J. C. Frémont, James Hoy, Jesse M. Bolles, Edward Gilbert, James P. Robinson, Oliver C. Billings, of New York; Charles Bachelor, John Edgar Thompson, Morton McMichael, T. Haskins Du Puy, Thomas A. Scott, Charles Rickettson, William Lyon, George W. Cass, Levi Parsons, of Pennsylvania; Charles Knapp, J. L. N. Stratton, James B. Dayton, Robert F. Stockton, Alexander G. Cattell, A. W. Markley, of New Jersey; John W. Garrett, Charles J. M. Gwinn, Robert Fowler, Jacob Tome, Thomas M. Lanahan, of Maryland; Charles J. Dupont, Henry Ridgeley, Andrew C. Gray, Nat. Smythers, of Delaware; Bellamy Storer, George B. Senter, William Baker, Samuel Galloway, David Tod, Charles Anderson, Bird B. Chapman, Edward Sturgis, Israel Dille, of Ohio; Edwin Peck, William D. Griswold, James P. Leese, Samuel E. Perkins, Conrad Baker, of Indiana; Richard J. Oglesby, N. B. Judd, Samuel A. Buckmaster, D. L. Phillips, L. P. Sanger, of Illinois; Eben B. Ward, Omar D. Conger, Nathaniel W. Brooks, Alexander H. Morrison, of Michigan; Z. G. Simmons, Alexander Mitchell, J. J. Williams, G. A. Thompson, J. J. R.

Pease, John Henry Hersey, of Wisconsin ; Henry A. Smith, Sherman Finch, William Mitchell, R. F. Crowell, L. F. Hubbard, E. F. Drake, of Minnesota ; Lyman Cook, Platt Smith, Jacob Butler, Henry I. Reid, Hoyt Sherman, of Iowa ; William G. Brownslow, of Tennessee ; Thomas C. Fletcher, B. R. Bonner, John M. Richardson, Emil Pretorious, E. W. Fox, R. J. McElhaney, Charles H. Howland, Madison Miller, George W. Fishback, T. J. Hubbard, George Knapp, Charles K. Dickson, A. G. Braun, G. L. Hewitt, P. A. Thompson, James W. Thomas, Charles E. Moss, Edward Walsh, A. R. Easton, Truman J. Horner, J. B. Eads, D. R. Garrison, W. A. Kayser, George P. Robinson, of Missouri ; Thomas E. Bramlette, Benjamin Gratz, C. E. Warren, Lazarus W. Powell, John Mason Brown, Joshua Speed, of Kentucky ; Solon Thatcher, Jacob Stotter, William B. Edwards, James G. Blunt, Robert McBratney, of Kansas ; Harrison Hagans, James Cook, Robert Craugh, Benjamin H. Smith, of West Virginia ; Lorenzo Sherwood, A. J. Hamilton, of Texas ; William Gilpin, Henry C. Leach, of Colorado ; Phineas Banning, Timothy G. Phelps, William B. Carr, Edward F. Beale, Fred. F. Low, Benjamin B. Redding, B. W. Hathaway, Leonidas Haskell, Frederick Billings, of California ; W. S. Ladd, J. R. Moores, Walter Monteith, John Kelly, B. F. Dowell, of Oregon ; James L. Johnson, Henry Connelly, Franciscus Perea, of New Mexico ; J. H. Mills, A. P. K. Safford, E. S. Davis, of Nevada ; Solomon S. Woolsey, William H. Hardy, Coles Bashford, of Arizona ; Henry D. Cooke, of the District of Columbia ; and their associates, the first meeting of which was appointed to be held at Turner hall in the city of St Louis October 1, 1866.

The grants obtained from congress by the Atlantic and Pacific company were the right of way, exempt from taxation, with twenty alternate sections per mile on each side of the road where it passed through the



public lands, and ten alternate sections per mile on each side, when it passed through a state wherever the United States had full title ; provided that if the route should be found to be upon the line of any other railroad owning a land grant, so far as the routes coincided, the grant to the Atlantic and Pacific should be deducted ; but the previously aided company might assign its interest, or consolidate with the Atlantic and Pacific, subject to the approval of the president of the United States. The company was also empowered to cut and remove timber, and to use as much land as necessary for depots, workshops, turn-outs, etc.; but no money should be drawn from the treasury of the United States in aid of the construction of its road. But when twenty-five miles should be completed, and ready for service, patents should issue for the land grant coterminous with the completed portion, and thereafter on the completion of every twenty-five miles. Construction should commence within two years, and the whole road be finished by July 4, 1878. Any breach of the conditions continuing for more than one year should give the United States authority to "do any and all things which may be needful and necessary to insure a speedy completion of the said road." Ten per cent cash assessments were required to be paid on subscriptions, and unless \$1,000,000 was subscribed and the ten per cent paid down within two years the act should be void.

Section 18 of this act showed the hand of the Central Pacific manager in Washington, inasmuch as it said that the Southern Pacific of California was authorized to connect with the Atlantic and Pacific at such point near the boundary of California as should be deemed by them most practicable for a railroad line to San Francisco, and should have similar grants of land, subject to all the conditions to which the Atlantic and Pacific was liable.



## CHAPTER IX.

### RAILWAYS—THE SOUTHERN PACIFIC, ATLANTIC AND PACIFIC, AND OTHER LINES.

SURVEYS SOUTH FROM SAN FRANCISCO BAY—SAN JOSÉ AND GILROY—SOUTHERN PACIFIC BRANCH—LAND TROUBLES—WAR WITH THE SETTLERS—THIRTY-SECOND AND THIRTY-FIFTH PARALLELS—SAN DIEGO TERMINUS—TEXAS PACIFIC—CENTRAL PACIFIC POLICY—GOAT ISLAND AND MISSION BAY—COLORADO RIVER COMPANY—MANIPULATIONS OF THE CONSTRUCTION COMPANIES—SAN DIEGO AND LOS ANGELES.

IN order to an understanding of the history of the southern lines projected about this time, it is necessary here to give some account of this Southern Pacific company which so quietly introduced itself into the incorporation act of the Atlantic and Pacific. It was a company incorporated under the laws of the state, November 25, 1865. Its directors were T. G. Phelps, Charles N. Fox, B. G. Lathrop, Benjamin Flint, C. L. Hutchison, J. B. Cox, and B. W. Hathaway; and the object of the company was declared to be to construct a railroad from some point on the bay of San Francisco through the counties of Santa Clara, Monterey, San Luis Obispo, Tulare, and Los Angeles to San Diego, and thence eastwardly to the state line, to connect with a railroad from the Mississippi river—that is to say, the thirty-second parallel route. In April 1866 the California legislature authorized the counties through which it was to pass to subscribe to its stock, or to make donations in its aid. In July 1866 congress granted it forty sections of land per mile, and the right to connect with the Atlantic and Pacific, which was a thirty-fifth parallel road. The company went on and surveyed its route

through the coast counties, the secretary of the interior withdrawing from market the alternate sections on each side of its line, and the road was constructed as far as Gilroy in 1868. But in 1867 the company had filed a map of a new route out of the coast valleys through Pacheco pass east of Gilroy, and south through the counties of Fresno, Tulare, Kern, and San Bernardino, to the Colorado river near Fort Mojave, or two degrees farther north than its first selected crossing.

When the line of the road was made to leave the coast counties, the people of that region, fearing to be deprived of their lands without the compensation of railroad facilities, petitioned congress to declare the Southern Pacific land grant vacant. An investigation was ordered, Franklin Steele, of San Luis Obispo, appearing for the people; and in 1868 the fruitful valleys and sunny slopes of the coast region were restored to the public domain. At this time the directors were Phelps, Lathrop, Flint, Hutchison, Lloyd Tevis, H. W. Carpentier, and W. B. Carr; but every act of the company from its inception showed that it was under some superior influence, and was only masquerading under an alias to secure state, county, and government aid. In the history of railways it has often been found necessary for builders to keep close counsel, and throw opponents off their guard by diplomacy.

The intention of the management was evident in first running to San Diego, and eastward to the Gila to stop out the Texas road; in the eighteenth section of the Atlantic and Pacific incorporation act; in the fact that the road to Gilroy was constructed by the San José and San Francisco company, which was owned by McLaughlin, the ever-available coadjutant of the Central Pacific company, and indirectly by some of the names among the directors of the Southern Pacific at this time. But the secret did not transpire until 1868, when it was reported that the Central

Pacific was negotiating for the purchase of the San Francisco and San José railroad, which was to give the Southern Pacific its terminus on San Francisco bay, and that it was also about to purchase the Southern Pacific. This rumor so alarmed the Central Pacific company that its president published a card denying that either the Central or Western Pacific, or any persons connected with them, had purchased or offered to purchase the Southern Pacific, the San Francisco and San José, or the Sacramento and Vallejo roads; a kind of prevarication, which if not justifiable might be explained, so far as the Southern Pacific was concerned, by the statement that it had always belonged to his company.

San Francisco had at this time 3,000 shares of \$100 each of the San José railroad, worth in the market \$120,000, which the Southern Pacific desired to obtain, and which in consideration of a coast railroad with a terminus at the city, was donated to that company. In 1869 a proposition was made to San Francisco to donate \$1,000,000 to the Southern Pacific in consideration of the immediate extension of its road 200 miles south from Gilroy, the bonds to be delivered upon the completion and stocking of each fifty miles, to which in their desire for railway communication with the south the voters agreed. Not less than \$4,000,000 was asked for from the counties south of Santa Clara to insure the construction of the Southern Pacific to Los Angeles, and a great deal of mining and countermining was resorted to in the effort to obtain it; subsidies having become unpopular, and the legislature having forbidden the counties to issue bonds in aid of railroads before at least five miles were completed, and only in amounts proportionate to the distance completed.

In 1870 the consolidation of the San Francisco and San José, the Santa Clara and Pajaro valley, and the California Southern railroads, with the Southern Pacific, took place. The Santa Clara and Pajaro

was designed to run from some point on the Southern Pacific to Pajaro in Monterey county, and the California Southern had some similar plan. Neither were constructed, and the consolidation prevented any possible rivalry in that direction.

In May 1871 the Contract and Finance company completed its work on the Central Pacific and connecting lines, began the construction of the Southern Pacific under an agreement to build its road from Gilroy to Mojave at the rate of twenty miles a year, or if required, of forty miles, the first section to be completed in July of that year, the whole within the period prescribed by congress, and to furnish it completely with everything necessary to a first-class road, including rolling stock, buildings, and telegraph line; the construction company to take its pay in \$28,000,000 of first mortgage bonds, and all the capital stock of the company not already issued, or subscribed for. The contract applied to the original line, which was extended to Soledad, in Monterey county, and to Tres Pinos in San Benito, where construction was arrested while the company's managers took a survey of the situation.

The effective weapon of the Central Pacific management had always been legislation. In 1868 when the secretary of the interior had restored the lands illegally withdrawn, the company asked leave to present evidence of the legality of their proceedings, thereby gaining a suspension of the order. Toward the close of 1869 the new secretary, J. D. Cox, after examining the evidence, also declared the action of the company in changing its route illegal, and ordered the lands restored; but on the 15th of December the decision was once more suspended until a joint resolution then before congress should have been acted upon. In the mean time the legislature of California—in April 1870—passed an act authorizing the Southern Pacific company to change its line so as to reach the eastern boundary of the state, "by such

route as the company shall determine to be most practicable," thus leaving it to select such a route as would best suit its ideas and purposes in every particular. Congress, also, in June following, gave leave to the Southern Pacific company of California to construct its road and telegraph line "as near as may be on the route indicated by the map filed in 1867," which was indefinite enough to serve the purpose of the managers.

In 1872 the Southern Pacific Branch railroad company was incorporated, for the purpose of constructing a railway from the trunk line, near Salinas in Monterey county, to run to a point in Kern county, intersecting the San Joaquin valley division of the Central Pacific south of Tulare lake. The incorporators and stockholders were E. H. Miller, Albert Galatin, E. I. Robinson, E. W. Hopkins, B. B. Redding, W. R. S. Foye, and C. H. Cummings, employes of the Central Pacific company, and the directors of that corporation. Five shares each were set opposite names of the employes, but thousands against the names of Hopkins and Stanford. This company was consolidated with the Southern Pacific company in August 1873. Another branch was to extend from near San Miguel, in San Luis Obispo county, to an intersection with the Southern Pacific near Tehachapi pass; but neither were then constructed, the time not being ripe for meeting the many difficulties.

As the company had not built the line located in 1867, the people along the way to the number of 600 petitioned congress in 1876 to declare the land grant forfeited. Attention was called to the attempt of the company to change its line to the branch route without changing the location of the land grant. The tactics pursued were the same not infrequently resorted to. "I would suggest," wrote one of the directors to another, "that you get some democrat"—the people of the southern counties were strongly democratic—"that has an interest on the line of our



roads, that you can convince that it is his interest to work for the Central Pacific and Southern Pacific interest, for that would be in the interest of the whole people." About fifty miles of the route lay over a sandy waste which could be made of value only by irrigation, and which had been reclaimed by settlers at a heavy expense, the lands made fruitful, and consequently worth as much more as cultivated fields are worth more than a desert. This portion of the land grant was located after these improvements were made, which led to the formation of a land league and the action above referred to. Congressional committees, according as railroad or other influence prevailed, reported some for, and some against, forfeiture, and the matter remained undetermined in 1878. The land league declared its willingness to pay the price fixed by congress for the even sections of railroad land, namely \$2.50 per acre; but protested against paying for the improvements made at their own cost. Trouble arose between the settlers and the company's land-grader, whose removal was requested, but it was refused. The company brought suits of ejectment against settlers on land to which it had obtained patents by building a section of road west from Goshen, extending to Huron, but not connecting with its chartered line through Monterey and San Luis Obispo counties. It had, in fact, no connection with the Southern Pacific within 140 miles, and was not on the line of any of its chartered branches.

The Central Pacific had built its line from Stockton to Goshen, and finding itself in danger of being beaten in a contest with an eastern company for a further franchise as the Central Pacific, commenced building south from here as the Southern Pacific. The ejectment suits, notwithstanding, were gained in the United States circuit court by the railroad company in December 1878.

The land troubles were at their worst about this time. The league had forbidden settlers to accede



to the demand of the railroad company for the full value of the improved lands, and had burned the house of two purchasers, under the conviction that they were not actual purchasers but agents of the railroad company. A military company was then formed, which patrolled the streets of Hanford, a thriving town built by the settlers in the disputed territory, with masked faces, to intimidate railroad purchasers.

No compromise having been effected, in May 1880 United States Marshal Poole, in an effort to evict a settler and to place purchasers in possession of lands improved and occupied by the original settlers, was resisted by an armed force, and a battle took place, in which eight persons were killed and wounded. It was shown in the evidence upon the trial which resulted that the settlers' land league did not number all the settlers, and that in every legal process they had been beaten; but that they had set themselves up as the rightful owners of the land regardless of the fact that the railroad company held the patents; and shown that they had warned away purchasers; that it was not known which was the attacking party; but that the settlers deliberately murdered one of the railroad purchasers after the first fury of the collision was over, in which a half dozen of their own party had fallen.

The charge against them was, however, that of resisting the United States marshal; and William B. Braden, whom the company was endeavoring to evict, J. J. Doyle, James N. Patterson, J. D. Purcell, and W. L. Pryor, were sent to prison at San José January 24, 1881, where they remained several months, receiving the sympathy of the public; and on returning to their homes a great public reception awaited them. Upon a platform, in sight of thousands, sat the released prisoners with their families, while speeches were made, and letters read from congressmen and others.

Before the demonstration took place, the railroad company offered to reduce the price of their lands twelve and a half per cent. Many settlers made application to rent, hoping that congress would come to their relief eventually; but the leases when sent to them contained an agreement to apply the rent of 1880 on the purchase of the land, at the reduction offered, and were rejected by the settlers, who still warned away purchasers and agents of the company. In April 1881 the legislature of California passed a joint resolution asking congressional aid "in behalf of a large number of settlers upon government land in what is known as the Mussel Slough district, in Tulare county, California;" and reciting the history of the Southern Pacific's so-called assumption of despotic power in that district, in which assumption it had the support of the United States district court, which had decided that the grant to the railroad company was *in presente*, and not conditioned upon location of route and filing map of same, in the face of the uniform decisions of the commissioners of the general land office for many years. By that decision, said the preamble, "about 1,800 innocent settlers, many of whom are poor men, with their wives and children, are in danger of being turned out of their homes which they have built up around them by their indomitable industry and perseverance, and which have become valuable, not by the building of the said railroad alone, but principally by the construction of several hundred thousand dollars' worth of canals and ditches which have been commenced and completed by the individual efforts of these settlers, unaided from any quarter;" for which reason the California delegation in congress was instructed to endeavor to widen the scope of a bill then before congress in relation to railroads, so as to afford the relief required, or to procure national aid through the attorney-general by having the question of the ownership of these lands as between the settlers and the

railroad company finally determined in the supreme court of the United States.

The people, however, tired of waiting for relief, finally accepted a compromise, and secured themselves against continued disturbances by purchasing their titles from the railroad company.

Let us return to the affairs of the Atlantic and Pacific and the thirty-second parallel road. The first president of the thirty-fifth parallel road was John C. Frémont, who failed signally in the conduct of its financial department, and in little more than a year the whole franchise was so embarrassed by bad management and quarrels among the directors as to be of little if any value. In its place, the eastern division of the Union Pacific, at first intended only as a feeder to the main line, took up the work, and was in 1868 pushing its road to near the western boundary of Texas, whence it was intended to deflect it to the south through New Mexico to Albuquerque, and thence running west on the thirty-fifth parallel. Bonds and lands had been granted this road as far as Denver, and the company hoped to secure a grant for the whole projected line to the Pacific, in which it was not successful.

Of a second road to California the next heard was in 1869, when a company was formed calling itself the Memphis El Paso and Pacific railroad company. Frémont was also president of this corporation, or consolidation—for it consisted, according to the pamphlet circulars, of several—among which was the company which owned the franchise of the Texas Western of the early railroad enterprises leading to the Pacific. The company claimed to own the Memphis and Little Rock railroad, and to have purchased the San Diego and Gila railroad charter, as well as the charter of an Arizona company, and to want nothing but the grant of a right of way 150 miles in extent across New Mexico, with as much more land as would

aid liberally in the construction of a railroad. The Texas lands, and the San Diego land grant of over 9,000 acres, were a basis of action on which Frémont undertook to procure a loan in France; an effort in which the splendid achievements of the Union and Central Pacific companies greatly assisted. The amount obtained on Texas land grant bonds was \$10,000,000. Work was commenced on the thirty-second parallel route, and affairs progressed encouragingly for a time. Then it began to be said that everything was going wrong, and that Frémont was the cause of it—the “great obstructionist” who had a talent for always doing the wrong thing. The *Memphis Chronicle* declared he was born a century too late, and ten centuries too soon; and after saying many more sarcastic things, ended by bringing against him the most serious charges.

However that may have been, he was no doubt a blunderer in business. Suits were brought against him and several of his associates, who were held to bail in \$10,000 each, in the spring of 1870. Stephen Sarter charged that they obtained from himself and others in Paris, in 1868 and 1869, by false statements \$4,500,000 in gold on \$6,000,000 land bonds of the company. The alleged false representations were to the effect that the company absolutely owned by a perfect title 8,000,000 acres of fertile land in Texas, worth at least \$14 per acre, when in fact they owned nothing, having failed to build the road; and that it had been falsely represented that by the terms of the grant the bonds were secured to the holders by mortgage upon the lands, whether or not the company built the road. It had been also represented that the company had purchased a completed railroad, the Memphis and Little Rock, and also one from there to Texarkana, when in truth there was no railroad between the latter places, and only a portion of one from Little Rock to Memphis; nor did the company own that.

Another alleged falsehood was that the Memphis, El Paso and Pacific company had purchased the railroad from Memphis via Knoxville to Richmond and Norfolk, where also it had land which it was about to place upon the market. But the statement which was most deceiving to the Parisians was that congress had in March 1869 passed an act guaranteeing the payment of six per cent interest on the construction bonds of the company, issued or to be issued, to the amount of \$30,000 per mile, and had also guaranteed the payment of the bonds at maturity, and the proceeds arising from the sale of such bonds were to be used in the construction of the road. Such a bill, had, indeed, been introduced in congress, but no action had been taken upon it. Two hundred thousand dollars were expended in advertising these alleged fact concerning the Transcontinental Memphis Pacific company, as it was called in Paris.

The \$4,500,000 realized, were, according to the complaint of Sarter, distributed as follows: Two French brokers received for commissions on the sale of bonds \$900,000; Frémont and William Schmole, the treasurer of the company, \$550,000; other officers \$315,000; G. Boileau, a brother-in-law of Frémont, \$150,000; maps and advertising \$200,000; office expenses and miscellaneous items \$150,000; old debts, coupons, and taxes \$600,000; lawyers' fees \$60,000. Purchases of railroad iron, locomotives, and interests in railroad companies amounted to \$830,000; construction expenses \$300,000, with \$370,000 left on hand for payment of freight, duties on iron, lawyers' fees, old debts, and other contingencies.

The exhibit, certainly, was not likely to encourage investment on this side of the Atlantic, whether supported by the evidence or not. It was in strong and curious contrast to the thrifty ways of the Central Pacific company of California, which from the first was a successful and enterprising railroad builder, and active in developing the country, knowing that its own



welfare lay in having local as well as inter-oceanic trade.

The bill on which the Transcontinental Memphis Pacific railroad founded its hope of government aid failed to pass. In 1870 two bills were before congress; and in the house, incorporating the Southern Transcontinental railway company, which was the former Memphis Pacific; and the Texas Pacific in the senate, covering the same, or very nearly the same ground. The house bill failed in the senate; but in March 1871 the Texas Pacific bill passed both houses and became a law.

This bill authorized the company to construct and maintain a railroad and telegraph line in Texas from Marshall to El Paso, and thence by the most eligible route, to be selected by the company, through New Mexico and Arizona, to the Colorado river at the southeastern boundary, and thence by the most direct and eligible route to ship's channel at San Diego. The capital of the company was fixed at a sum not to exceed \$50,000,000, in shares of \$100, never to be increased except with the consent of congress. Assessments on stock should only be made by a majority vote of the whole number of directors at a regular meeting, and the assessment should be paid at the expiration of thirty days after notice being given.

The rights, lands, land-grants, franchises, property, and privileges of every description belonging to consolidated or purchased railroads, should vest in, and become absolutely the property of, the Texas Pacific; but all contracts and obligations of such railroad companies should be assumed by the Texas Pacific, although not to an amount greater than the cash value of the assets received.

Right of way, with land for depots, and the privilege of using timber, stone, and other material, and every alternate section of land designated by odd numbers, to the amount of twenty on each side of the



line adopted through the territories, and half that amount in California, was granted. The company should have power to issue the kinds of bonds, secured by mortgage, namely, construction bonds and land bonds, the former to be secured by first mortgage on the franchises, road-bed, track, and appurtenances; and the latter, first, by mortgage on any or all the land granted by the act, and second on lands acquired by purchase or consolidation; and all such mortgages should be filed in the department of the interior; the proceeds of the sales of all classes of bonds to be applied to the construction of the contemplated road. The patents on United States land should be issued on the completion of every twenty miles. The company was allowed two years to designate its line through the public lands. The face value of all bonds issued should be \$1,000; the total value of construction bonds should not exceed \$30,000 per mile; and the total face value of the land bonds should not exceed \$2.50 per acre for all land mortgaged, the total amount of each to be determined by the directors.

All intersecting roads should have the right to connect with the line of the Texas Pacific; no discrimination should be made against connecting roads; nor should the fares and freights exceed the rates which might be fixed by congress for carrying passengers and freights on the Union Pacific and Central Pacific. The road should be constructed of iron or steel rails manufactured of American ore, except such as had been already contracted for. The road should be commenced simultaneously at Marshall and at San Diego, and at least fifty miles from each and completed in two years after the passage of the act, and fifty miles yearly thereafter until completed.

It was declared to be unlawful for the directors, in their individual or corporate capacity, to make any contracts with the Texas Pacific company for the construction, equipment, or operation of the road, or

to have any interest therein, and any such contract should be void ; and all money or property received under such agreement should be recoverable for the benefit of the company by any stockholder.

And then came the following: "That for the purpose of connecting the Texas Pacific railroad with the city of San Francisco, the Southern Pacific railroad company of California is hereby authorized, subject to the laws of California, to construct a line of railroad from a point at or near Tehachapi pass, by way of Los Angeles, to the Texas Pacific railroad at or near the Colorado river, with the same rights, grants, privileges, and subject to the same limitations, restrictions, and conditions, as were granted to said Southern Pacific railroad company of California by the act of July 27, 1866; provided, however, that this section shall in no way affect or impair the rights, present or prospective, of the Atlantic and Pacific railroad company, or any other railroad company."

Although in the Texas Pacific bill, and sharing in the government patronage and privileges in that, and the Atlantic and Pacific bill, the Southern Pacific company was not forbidden to bond its lands for more than \$2.50 per acre ; to contract with its own directors for construction, nor to do anything which its interest might suggest as having a profit in it. The several restrictions put upon the Texas Pacific, and the wording of some of the sections seeming to guard the interests of the people, betray the hand of some strong adverse influence, and were intended to handicap the Texas Pacific to prevent its construction, the evidence of which came out more clearly later.

The incorporators of the Texas Pacific named in the act were John C. Frémont, James L. Alcorn, G. M. Dodge, O. C. French, John D. Caldwell, J. J. Noah, A. C. Osborne, Timothy Hurley, C. C. Pool, Silas N. Martin, John M. Corse, George E. Went-

worth, Philip H. Morgan, J. D. Cameron, Marshall O. Roberts, James L. Hodges, John Ray, W. Vermilye, Enoch L. Fancher, Charles F. Livermore, Joseph H. Oglesby, John Whytock, Daniel Drew, F. S. Davis, W. Orton, A. C. Babcock, Thomas A. Scott, Samuel D. Hoffman, H. Ramsdale, William H. Jackson, R. C. Parsons, Delos W. Emmons, M. A. Southworth, John H. Hall, G. C. Kinzey, W. P. Clark, James Dart, H. Jacobs, L. T. Smith, W. P. Dole, C. A. Weed, A. P. K. Safford, Hugh McCullough, Charles Jackson, Elisha Dyer, Alfred Anthony, James Hoy, M. W. Benjamin, Henry D. Cooke, Joseph R. West, W. S. Huntington, J. M. Tebbetts, C. C. Leandridge, D. D. Porter, M. Woodhull, Hiram Price, M. C. Hunter, W. T. Walters, J. B. Brownlow, T. A. Morris, Owen Tuller, J. H. Ledlie, R. M. Bishop, Samuel Craighead, D. N. Stanton, Augustus H. Whiting, G. L. Johnston, J. W. Goodland, Powell Clayton, Samuel Tate, W. Bolton, H. Robinson, George Massey, O. H. Bynum, M. Burus, J. C. Goodloe, E. G. Barney, Cyrus Busey, J. W. Forney, J. Lockwood, E. M. Davis, N. Patton, W. Flanagan, G. O'Brien, G. P. Buel, G. H. Gidding, J. J. Newell, E. W. Rice, R. M. Shoemaker, Samuel Sloan, S. W. Morton, J. B. Bowman, L. M. Flournoy, J. J. Hinds, G. R. Weeks, J. T. Ludling, B. C. Gilbert, B. D. Williams, Thomas Olcott, G. A. Fossdick, Harry Hays, P. S. Forbes, John T. Sprague, L. M. Marsh, A. W. Beckwith, J. C. Stanton, Cyrus H. Baldwin, A. J. Hamilton, Rush R. Sloan, Silas C. Colgrave, Samuel D. Jones, N. H. Decker, William N. Leet, B. F. Allen, J. B. Chaves, Augustus Kauntze, John N. Goodwin, William S. Rosecrans, Michael Hahn, H. C. Warmouth, J. S. Williams, G. M. Spenser, L. J. Higby, and W. C. Kimball. These were to meet in the city of New York within ninety days, due notice being given in New York, New Orleans, and Washington newspapers, and open books for subscription, and when 20,000 shares, amounting

to \$2,500,000, should be subscribed, and ten per cent paid down, it should be lawful to organize, and to elect not less than seven, nor more than seventeen, directors, to hold office for one year, who should elect a president and vice-president.

The meeting of the commissioners was held on the 15th of May 1871, when Marshall O. Roberts was elected president; Henry G. Stebbins, vice-president; Edwards Pierrepont, treasurer; E. D. Hart, secretary; executive committee, Thomas A. Scott, Edwards Pierrepont, Henry G. Stebbins, William R. Traverse, George W. Cass, and W. J. Walters. The other directors were Moses Taylor, Samuel J. Tilden, Henry D. Newcomb, E. W. Rice, Henry S. McComb, John W. Forney, John McManus, John S. Harris, George W. Quintard, and J. W. Throckmorton. Among these was a representative of the Southern Transcontinental company, which was merged in the Texas Pacific company, but was not in any way connected with the Memphis and El Paso, which had so signally failed.

The new company had before it a task of some magnitude, in correcting the blunders of the Southern Transcontinental, and in adapting means to an end. Any one conversant with the history of the Union and Central Pacific corporations might well doubt the ability of the Texas Pacific to construct its road under the act of 1871. The cares connected with it being too great for Roberts, who was in ill health, the presidency was in 1872 offered to Thomas A. Scott, of the Pennsylvania Central, and accepted, his reputation as a railroad manager giving strong hopes of the success of the company.

About the time Scott took the presidency a change had been made in the incorporation act, whether through his influence or not is not material. In the first place the name of the company was changed to Texas and Pacific. The amount of construction bonds per mile which might be issued was raised from

\$30,000 to \$40,000, and the company should have power to include in the mortgages to secure the construction bonds any portion of the lands granted in aid of the road. The mortgages to secure the land bonds could be secured on whatever might remain of the government granted land, and on all or any portion of the lands acquired by the terms of the consolidation authorized in the incorporation act, or which might thereafter be derived from other consolidations, or from congressional, state, or territorial authority; but the amount per acre was not to exceed \$2.50. The road and its equipment should be of the standard gauge required by the United States government of the existing Pacific railways, and should be laid with American iron or steel, except such as before contracted for by the railroad company with which the Texas and Pacific was consolidated. One hundred consecutive miles west from Marshall was required to be constructed within two years, and from San Diego ten miles eastward within one year, the whole to be completed in ten years. The company was also required to construct and operate a road from Marshall east to Shreveport, Louisiana, or to control and operate any road between these points of the same gauge as the Texas and Pacific, the object being to make a continuous line to the Atlantic.

So far, good. But there were still financial difficulties to be met. In order to clear away the stain upon American credit consequent on the Memphis and El Paso transactions in Paris, the Texas and Pacific company purchased of the receiver of the Memphis company the land grant bonds that had been sold in Paris, hoping thereby to revive an interest in American investments, and make a better market for the bonds of the Texas and Pacific company. Portions of the grading done by the old corporation were also purchased. Scott also visited San Diego and received from that city the 10,000 acres forfeited by the Memphis and El Paso company, as



well as the delighted congratulations of its too trusting people, who were doing everything in their power to aid the new organization.

When affairs were most promising came the financial panic of 1873, which put an end to all hope of negotiating securities on an unconstructed line, without assistance from government in securing the interest on its bonds. So confident had Scott been that he should be able to negotiate his bonds in Europe, before the crisis, that he had constructed with the personal resources of himself and associates, a considerable portion of the road in Texas, and had graded the ten miles east from San Diego, besides shipping to that port material for laying the track of that section. In the emergency consequent upon the commercial panic of 1873, Scott came before congress for the relief of a loan of credit; not as the existing Pacific roads had done, but for aid in securing the capitalists from whom he must obtain the money to build the road. His plan was to place all the bonds of the company in the treasury of the United States, from which no more than \$35,000 per mile should be issued. Commissioners of the United States should supervise all expenditures; and all the bonds remaining unexpended over \$10,000,000 should be sold by the secretary of the treasury at current market rates, should any deficiency occur in the earnings of the road, which were dedicated to the payment of this interest. But there was a prejudice against congressional subsidies, which was the result of the different scandals in connection with the Union and Central Pacific management, and their neglect of their obligations, which operated strongly, if unfairly, against the southern road. This, however, might have been overcome, but for the tactics of these roads toward the rival corporation. The Union Pacific would have aided the Atlantic and Pacific, by which it hoped to gain an entrance into California, a scheme on which William J. Palmer expended much thought,



and actual effort by surveys ; but the Central Pacific would aid neither, and devoted most of its energies for a period of several years to defeating both.

The inauguration of warfare, offensive and defensive, against all ' foreign ' railroads, commenced with the attempt of the Atlantic and Pacific to secure an entrance into San Francisco in 1871. Among the defensive measures was the effort of the Central Pacific, about this time, to secure Yerba Buena, or Goat, island as a terminus. The directors of the Atlantic and Pacific, or several of them, paid a visit to California in the summer of 1871, and surveys were made of the route between San Francisco and the Colorado river, via the coast counties, when it was determined to build the whole line from San Francisco to St Louis, without connecting with the Southern Pacific, which had apparently abandoned all idea of completing its line through the country on the west of the Coast range. The proposition was made to San Francisco to aid the company, which proposal was the occasion of the greatest railroad agitation ever known in the California metropolis, renowned less for its interest in railroads than for its subservience to them. The directors said, " If you will accord us assistance sufficient to justify the expenditure of our capital, we will give to California a transcontinental road entirely independent of all other routes." But at the same time the Central Pacific was talking of coming into the city by a bridge, or extending its Oakland wharf to Goat island and building up a rival city on that side of the bay, while the Southern Pacific with its parent corporation was endeavoring to gain possession of the city's lands on Mission bay.

The selection of a terminal point for the transcontinental roads was a matter of much importance to the city, but had never been seriously considered until the legislature, at the session of 1871-2, sent a

despatch, signed by twenty-two senators, to the California delegation in congress approving of a bill then before that body, giving Goat island to the Central Pacific railroad to use for depot purposes. The bill and the action of the state senate aroused San Francisco, and in proportion as it had been unconcerned, was it now greatly excited. Protests were addressed to congress; government engineers were called upon to report upon the consequences of closing the channel between the island and the Oakland shore, and military officers required to give an opinion upon the importance of the island to the defence of the harbor. A lease, it was contended, would be equivalent to a gift, since if the company ever became established there, it would be impracticable to dislodge it. It is sufficient in this place to say that the bill failed of its passage; and although the matter was not suffered to drop for some time, it became in due time dead.

What San Francisco finally insisted on was a bridge; and there was much discussion of the proper site; but about bridges the railroad company was lukewarm. At a public meeting it was said by James Otis, presiding, "If they will not come to San Francisco, let them stay there—in Oakland—other companies will come to us, and are already knocking at our doors."

Early in April 1872 a meeting of twenty influential citizens was held, who appointed a sub-committee of seven to choose a committee of one hundred men whose purpose it should be to take measures to defeat the purposes of the Central Pacific, and which should take under advisement a pending agreement between the supervisors and the railroad power concerning the city's lands. The railroad contended that San Francisco had been niggardly in dealing with its interests. The city retorted that it had given outright \$650,000 in bonds, with interest at seven per cent for thirty years, amounting, with the principal, to \$2,015,000, and \$800,000 more which it would have to pay in interest on the state subsidy; besides \$350,000 in

San Francisco and San José railroad stock, and sixty acres of tide-land on Mission bay—at least \$4,000,000 absolutely given. They said further that none of the promises made to the city by the railroad company had been kept.

While this agitation was going on there arrived in San Francisco a deputation from business men from St Louis, who wished to learn what the city would do in aid of the Atlantic and Pacific railroad. This delegation consisted of Joseph Brown, mayor of St Louis; Andrew Pierce, managing director of the Atlantic and Pacific railroad; Clinton B. Fish, Ozias Bailey, and J. R. Robinson, of Springfield, Missouri, directors; George Bain, N. C. Chipman, Hudson E. Bridge, E. O. Stannard, Francis B. Hayes, president of the Atlantic and Pacific, and Columbus Delano, secretary of the interior.

A portion of the committee of one hundred desired to make some arrangement with the Atlantic and Pacific company. Another portion preferred an independent road, to be built by the people of California, to connect with some road from the southeast, as the Texas and Pacific. A third portion talked about purchasing the Southern Pacific and continuing it eastward for a transcontinental road. It was believed practicable to carry out either of these three projects.

This agitation had its effect on the Central Pacific company, which finally presented a memorandum to the committee of an understanding arrived at between its president and the supervisors, that all pretensions to Goat island should be withdrawn; that the Central and Southern Pacific companies should construct within eighteen months a shore-line railroad from Mission bay to Niles, via a bridge across San Francisco bay; that the sixty-acre tract should have the streets closed except where the public convenience required them to be kept open; that China basin should be in part granted to the railroad for commer-

cial purposes; that the city should donate to the Central and Southern Pacific companies \$2,500,000 in bonds, payable in twenty years, drawing six per cent interest, provided the city should vote to make the gift, at the next November election; that in consideration of this gift the city should have the right to confer upon any other company having its terminus in Mission bay the privilege of laying its track along that portion of the land donated to the Western and Southern Pacific companies for right of way, and to use the tracks upon the bridge by paying a pro rata charge for their maintenance; that the Central and Southern Pacific companies should make their permanent termini on Mission bay lands, and the companies should transact their main business over the shore-line road; but the companies reserved the right, should the growth of business demand some different and better route, of adopting it; that whenever the city bulkhead should be completed from Mission bay to Black point, the railroad companies would lay down a railway thereon with depot and freight-house facilities, which tracks were to be free to any company operating one hundred miles of road.

This memorandum was not considered by the committee as making any real concessions. As to giving up Goat island, that was for congress to say. The option left with the Central company to change its route and terminus, deprived that part of the agreement of any force; and the whole effect of the proposed arrangement would be to impair the ability of the city to secure an independent railroad. This was also the opinion of the people who rejected the proposition at the election in November.

The Atlantic and Pacific company asked the city to take \$15,000,000 of its capital stock, which would give it several of the directors, and the committee of one hundred had resolved to accept the proposition, when, on second thought, it was decided to send commissioners to St Louis to examine into the affairs of

the company before completing the transaction; and Richard G. Sneath, John S. Hager, and C. T. Hopkins were appointed to make this investigation; a contract which had six months to run before being accepted or rejected, being already drawn up.

The report of the commissioners was not entirely satisfactory. A portion of the route of the Atlantic and Pacific passed through Indian territory, where the lands were not subject to grant without the consent of the inhabitants; and this with some other matters caused a third portion of the committee to favor the construction of a road by Californians, to connect with the Texas and Pacific, Scott being at the time in San Diego. A majority, however, desired a railroad owned by California capitalists.

Accordingly in July the San Francisco and Colorado River railway company was organized, with a capital stock of \$50,000,000, divided into 500,000 shares, at \$100 each. The directors were John Parrott, Peter Donahue, Henry M. Newhall, W. T. Coleman, Michael Reese, William C. Ralston, J. Mora Moss, John O. Earl, Henry D. Bacon, A. Gause, George H. Howard, Josiah Belden. Nearly four millions was subscribed, and several millions promised. A subsidy of \$10,000,000 was asked from San Francisco, and the southern counties were relied upon to aid the enterprise. This subsidy was also to be voted upon at the November election; but some newspapers took up the cry that the \$10,000,000 would go to purchase the Southern Pacific, which was largely constructed by the money of the counties through which it passed, and by donations from San Francisco, and the people would not vote to buy what they had once paid for.

Thus San Francisco lost its opportunity, and indirectly through the influence of the Central Pacific. Had the San Francisco and Colorado River railway company really purchased the Southern Pacific, whose charter was through the coast counties, that corpora-



tion would undoubtedly have built out in the interior as it eventually did, and as the Central Pacific was then doing. The building of the road would probably have been given to the Contract and Finance company, and in the end the Central Pacific would have controlled it. But a combination with the Atlantic and Pacific would have given to San Francisco the really independent line which it so apparently longed for, and which it lacked the ability or enterprise to secure.

About the last of August the committee of one hundred dissolved, the only result of its organization being to warn congress against what it called the grasping policy of railroad corporations. The truth is, the people of San Francisco, who for the past two decades had been singularly indifferent to the progress of the city, while other cities were surging forward at phenomenal speed, received at the hand of the railroad, as in the case of scurrilous newspapers, fully as much as they deserved.

The Central Pacific could now give its attention to the Texas and Pacific, which, after the shock of 1873, was unable to recover itself without the aid of congress, and was endeavoring to get a bill passed making the government its endorser only for the interest on its bonds, which interest it would then be able to pay by the earnings of the constructed portion. It was a perfectly plain, simple, and reasonable proposition, to refuse which gave good ground for complaint on the part of the southern states. But there was in Washington a greater than the government itself, and that was C. P. Huntington, vice-president of the Central Pacific, and president of the Southern Pacific, which at that period was little known out of the state, although it was named in both the Atlantic and Pacific, and Texas and Pacific incorporation acts.

Well aware of the existing prejudice, the Central company resorted in the first place to the organization



of the Southern Pacific. When it was charged in congressional committees that it was a creation of the elder company, it was unhesitatingly denied. But about 1874 it was found necessary, in order to carry out this program, to bring a new man into the railroad family, D. D. Colton, who was allowed to purchase \$4,000,000 worth of stock in the Central Pacific roads for \$1,000,000 upon the understanding that he was to take the ostensible management of the Southern Pacific, to divert attention from the real managers. Another change was made at the same period, bearing on the same design, which was to dissolve the Contract and Finance company, well known as the creation of the Central Pacific, and organize the Western Development company to which the contracts of the former with the Southern Pacific were turned over, among which was one to build a line to Fort Mojave to stop out the Atlantic and Pacific, which contract was rendered temporarily unnecessary by the turn events had taken in 1873.

The Central Pacific had built, with the former construction company, as far south as Goshen in Tulare county, when the changes referred to were made, and the continuation of the line south to connect with the Texas and Pacific was undertaken by the Southern Pacific, with the Western Development company to construct it.

The entire stock of this corporation was owned by Stanford, Huntington, Hopkins, Crocker, and Colton, in the proportion of two-ninths to each of the first four partners, and one-ninth to Colton. Its dividends between December 1874 and October 1878 amounted to \$21,000,000. Besides this it had on hand stock and bonds to the amount of \$25,000,000 par value, of an actual value of \$20,000,000. It purchased the plant of the Contract and Finance company for \$421,530.47, paid in the whole 50,000 shares of the new organization; and it acquired for work done for the Central Pacific company \$3,258,000 in sinking fund

bonds of that corporation, which it sold to Crocker, Huntington, and the rest, at par. The profit on the contracts of the construction company was one hundred per cent.

The success of the Credit Mobilier and Contract and Finance companies in contracting with themselves led the Texas and Pacific to make a similar attempt in the beginning. It organized the Texas and California construction company, which was chartered by the state legislature for the purpose of building the Texas and Pacific railroad. The charter of the railroad company prohibited any of its officers from being members of a construction company; but while Scott was not a member, he lent his name and credit. When the panic came it had liabilities to the amount of \$7,000,000, and assets worth \$18,000,000.

To account for a jump of 140 miles, from Monterey to Tulare county, it was necessary to affect to change the line of the Southern Pacific, and to build a short piece of road in the direction of its chartered route—hence the Southern Pacific branch before spoken of, which served to divert attention, and to keep hold on the land grant. Thus equipped with a new name, a new man, and a new construction company the Central Pacific set out to meet and defeat the Texas Pacific wherever, with all its facilities, it should encounter it, while Huntington remained at his post in Washington to prevent congress granting that company any aid.

Foreseeing that Scott and his friends would take the position that the Southern Pacific was controlled by the Central Pacific, and that there ought to be more than one corporation with an entrance into San Francisco, Huntington sent for Colton to help him in the matter. In correspondence with his associates he frankly relates that he had said to the railroad committee before which he was arguing his case, "My interest is, of course, with the Central Pacific,

which will not be benefited by the construction of this road; but the parties who control the Southern Pacific are very anxious to have this southern line completed at an early day; and as long as I am acting as president I shall do all that I can to carry out their wishes." It was in fact what the minority report of the committee did say, that the argument entitled to most weight as against the Southern Pacific was, that this corporation having intimate relations with the Central Pacific, might enter into combination with it against the public interest, and the advantages of competition and ocean connection at San Diego would be lost. Huntington frequently declared it was the only weapon the Texas Pacific people, or any other enemies, had to fight him with in congress.

But he looked carefully after every advantage besides that of showing he had no interest but a friendly one in the Southern Pacific. He urged his associates, among other measures, to secure two franchises in Arizona; to send some person down there to get a bill passed in the territorial legislature granting the right to build a railroad east from the Colorado river near Mojave, which franchise should be made free from taxation, and its fares and freights not to be interfered with until the dividends on the common stock should exceed ten per cent, which he said would be as good as a land grant; and congress would give a right of way. Then he said to congress, to defeat the Texas and Pacific, that the Southern Pacific did not ask even a land grant; and to his associates "then see how members will dare give him aid to do what we offered to do without." He took high ground against subsidies, thus humoring the disposition of congress which the abuse of subsidies had brought about; he sent agents to different legislatures to get resolutions passed against granting pecuniary aid to railroads. Money was freely spent to secure these measures, and in controlling the press so as to

injure Scott, who being too ingenuous himself to suspect the source of those articles, was drawn into answering some of them in the most dignified terms.

In February 1875 Scott wrote to the editor of the *New York Tribune*: "In your paper of yesterday you published an article dated at Washington, January 23d, headed 'Texas Pacific in Need of Investigation.' I am inclined to believe the writer of that article, or perhaps the party who furnished him the data, is more in need of investigation than the Texas and Pacific railway company. His whole statement from beginning to end may be designated, using the mildest form of language, as a tissue of misstatements," which he went on to prove, while his tormentor related his achievements in the private ear of the head office.

If in railway tactics it can ever truthfully be said that money influences law and legislation, the fault is with the people who make and administer the law, and are so ready to sell themselves for gold, rather than with those who pursue the most direct means to secure the desired end. Instead of pursuing a manly, independent, honest, and energetic course themselves in aid of progress and development, they force enterprising men into the only channels left open to them for securing the desired benefits. Does not everybody see and know that few measures, honest or dishonest, which are brought before our legislative bodies can be carried without the use of money?

In December 1881 the Southern Pacific met the Texas Pacific beyond El Paso, and in January 1883 it opened its line to New Orleans.

In 1876 Scott offered to relinquish the San Diego land subsidy; but that city being still hopeful, would not take back the donation. Three years later, however, the president of the board of trustees requested the return of the lands; but Scott answered that no effort had been spared since 1873 to secure government aid, which had failed for lack of support. He still expected to build the road, but whenever any

responsible company had constructed 100 miles of railroad continuously eastward from the city, he would reconvey one-half of the lands, but not so as to embarrass the location of the Texas and Pacific, or its terminal facilities in San Diego.

The San Diego and Gila Southern Pacific and Atlantic company merited great praise for its fidelity to the railroad interest both local and transcontinental. Much money was spent in surveys, and the franchise for a bridge over the Colorado river was secured, and held against all applicants—there being but one place where a bridge could be erected at Yuma—lest the Southern Pacific should be the bidder, for several years. But when that company wanted it, it got it, as it did everything else. In 1877 both that company and the Texas and Pacific procured permission from the secretary of war to cross the military reservation at Fort Yuma. The Texas company, in view of a former revocation of a similar order by the military authorities, desired congress to settle the matter before going on with construction, and the permission was withdrawn pending a decision concerning the rights of the two companies. But the Southern Pacific secured a modification of the order so far as to permit work to continue sufficiently to prevent waste and injury to property. It then found means to complete the building of the bridge, and in defiance of military authority laid its track, in the night, and ran over it a train of cars. Huntington had to see the secretary of war about it; and he reconciled him to this disobedience of orders “in about twenty minutes.” He then called on certain cabinet members and the president, all of whom he soon talked over.

A railroad from San Diego to San Bernardino had been in contemplation by the people of the latter place since 1868, when a public meeting was held there, to consider the practicability of constructing a road to



Anaheim, a German settlement twenty-six miles south of Los Angeles, and on the line of a projected railway between that town and San Diego, which would give San Bernardino a choice of ports. The leader in this movement was William A. Coun, of San Bernardino, state senator from that district, and F. W. Kuelp of Anaheim. The incorporation of the Pacific and San Bernardino railroad company took place early in September 1868, with a capital stock of \$2,000,000; and the capitalists interested in it were Ben Holladay, Sam Brannan, and Michael Reese. A survey of the route justified the hope of a speedy construction, and San Bernardino county granted a subsidy of \$250,000. But all to no purpose; the financial managers withdrew from the enterprise.

A railroad from Los Angeles to San Bernardino then began to be talked of, and also a railroad from San Diego to San Bernardino, whence arose jealousies, Los Angeles fearing to lose its trade—by wagon—with the Owen river country, which was considerable. But the San Diego and San Bernardino company opened its books for subscriptions February 14, 1872, at the office of T. J. Higgins, San Diego; and A. D. Boren, San Bernardino. Then arose troubles, both the Los Angeles and San Diego companies bidding for the subsidy to be granted by San Bernardino to one of them; and the former claiming that as the latter was not yet incorporated in due form, it should not be considered. Besides this objection the San Diego route had been run for a distance of forty-four miles over the territory traversed by the Los Angeles road. On the other hand, I. N. Robinson had pledged \$20,000 as a gift to the San Diego line; and Don Juan Foster was negotiating the sale of his rancho in order to raise money for this road, and other local aid to the amount of \$250,000 or \$300,000 could be secured. The voters of San Bernardino were desirous of granting the five per cent subsidy allowed by law, and petitioned the supervis-



ors to order an election, but they resisted the popular pressure, and refused to give the order to vote on a proposition to grant the subsidy to the company which first constructed a railroad to San Bernardino. Such an election, however, finally took place towards the end of the year, both in San Diego and San Bernardino, the people of both counties voting for it. Right of way over the pueblo lands of San Diego was granted, with 100 acres for depot grounds on the water front. At the first annual election of officers of the San Diego and San Bernardino company, S. W. Craigie was chosen president; S. S. Culverwell, vice-president; D. W. Strong, chief engineer; John S. Gordon, secretary; S. Barkley, and W. Jorres, the other directors. The first survey was made by C. J. Fox, civil engineer, in January 1872, starting from Old Town, thence to Poway, to San Luis Rey, through the Santa Margarita and San Juan Capistrano valleys to Anaheim and Los Angeles, with a branch from Anaheim to San Bernardino. By this arrangement all interests were fairly represented, and jealousies conciliated.

But here again local enterprises were unfavorably affected by the government aided roads, the agents of the Atlantic and Pacific and of the Texas and Pacific being in communication with San Diego, and the Southern Pacific with Los Angeles, and all with San Francisco, throwing into confusion the plans of the San Diego and San Bernardino company, the money crisis of 1873 closely following to wind up their affairs.

The expectation previously entertained had been that the 35th parallel road which was already well advanced, and whose contractors were the same who constructed the Union Pacific at the rate of a mile and a half a day, would come to San Bernardino, and that the local road would there meet it. But the Los Angeles newspapers suspected that the San Francisco and Colorado river railroad scheme before

mentioned might defeat the construction of the California portion of the Atlantic and Pacific, because, as every one knew, the Central Pacific would interpose a powerful opposition to San Francisco building the Atlantic and Pacific to the Colorado, and be ready to frustrate any similar attempts by every means in their power.

A special committee of three, from a committee of thirty at Los Angeles in 1872, was deputed to visit San Francisco and confer with the various railroad or other companies or corporations who would connect with Los Angeles; but no one appeared who was prepared to make an offer to build a road in any definite period of time. Huntington, however, offered to construct, within fifteen months, fifty miles of the main line from Los Angeles, on the route from San Francisco to Fort Yuma, and within three months thereafter to commence the construction of a road connecting Los Angeles with Anaheim, and to complete it in two years, on condition that the county of Los Angeles would vote the Southern Pacific the five per cent subsidy permitted by the law of the state to be paid in the Los Angeles and San Pedro railroad stock owned by the city; \$377,000, in bonds of the county at twenty years, bearing interest at seven per cent; and sixty acres of land in the city, worth all together \$610,000.

The only railroad Los Angeles had at this time was a line from the town to the coast at San Pedro, to which the county had subscribed \$150,000, and the city \$75,000, which was built in 1868-9. The proposition of the Southern Pacific to connect the town at once with the line to Fort Yuma, and to San Francisco, was eagerly accepted, and trains were run north to San Francisco in 1874, the Anaheim branch being completed in 1875. At this time the Southern Pacific had a bill before congress which would change its route so as to make it impossible to keep its contract with Los Angeles, and which required it to

build only twenty miles of a branch to Los Angeles per annum, and the whole main line by November 1885. All this was in due time changed, however, greatly to the delight of Los Angeles and the greatly benefited region thereabout; and in 1876 connection was made with the main line at Mojave.

Having thus completed its course to Los Angeles, the company continued further developments in that vicinity. A local corporation having purposed to connect Santa Monica with Los Angeles on one hand and San Bernardino on the other, with a view of extending their line ultimately to Inyo county, excited the interest of the great corporation. It had capital stock of \$4,000,000, in shares of \$100, half of which was paid up, and the road was completed to Santa Monica, while grading was being done on the line to San Bernardino, when means were found to win over the principal owner, United States senator John P. Jones, who was also largely interested in the town of Santa Monica, and he sold out to Huntington for \$195,000. As the place was not deemed suitable for a port, the wharf, which had been constructed under most pretentious hopes, was taken down.

The Atlantic and Pacific, after half a dozen years of gross mismanagement and struggle with most adverse circumstances, finally through a combination with the Atchison Topeka and Santa Fé railroad company, was constructed from the Rio Grande at Albuquerque to The Needles on the Colorado, where it arrived in 1883, with the intention of going to Los Angeles and thence to San Francisco. But it found itself stopped at the Colorado by the enterprising Southern Pacific, which met it there with a completed road running to its main line at Mojave.

The manner of bringing about all this result was by obtaining control of enough stock in the road to give

a representation in the board of directors, by services to the Missouri Pacific in Texas, and the St Louis and San Francisco company ; and by a coalition with Gould and Seligman which controlled the board. In this way the extension of the Atlantic and Pacific was secured as far as The Needles. In the mean time the Pacific Improvement company, which succeeded to the business of the Western Development company, had constructed 240 miles of road over which its trains must pass to get to Mojave and make a junction with the Southern Pacific, or otherwise run to San Francisco or Los Angeles.

It will be perceived that with all this railroad building, San Diego was still isolated, sitting sorrowful by her sad sea waves, and it was not until twenty-six years after her first railroad company, the San Diego and Gila, was organized, that the California Southern railroad company was chartered, which finally gave her connection with the east, and with the railroad system of California. It was adverse influences which condemned her to this isolation, and which would have protracted still further her loneliness had it been possible. The California Southern was chartered to construct a line to San Bernardino in October 1880, and an extension company connecting it with the Atlantic and Pacific at Barstow, was chartered in May 1881, which became consolidated with the California Southern. In 1882 when the road had reached Colton it was denied the right to cross the Southern Pacific, and a delay of several months resulted. It was at last only by an order of the court to arrest the directors that the obstruction was removed and bloodshed prevented. In September 1883 the road was opened to San Bernardino, and in November 1885 the eighty miles between that place and Barstow were laid with track, and thus at last an eastern road found entrance to San Diego.

In 1886 Huntington dissolved his connection with the Atlantic and Pacific company, and being in need

of funds for other enterprises, determined upon selling to that company the road from The Needles to Mojave, which transfer would not affect its control of the road to San Francisco or Los Angeles. The California Southern passed under the management of the Atchison Topeka and Santa Fé company in 1886, and is operated as a division of that road. It had local branches, and connected with Los Angeles by a line paralleling the Southern Pacific, formed in the first place by the joining of the San Bernardino and Los Angeles and San Gabriel valley railroads in 1887, when it took the name of the California Central. It was, however, consolidated with the Atchison Topeka and Santa Fé, and Atlantic and Pacific purchased roads, and admitted that eastern combination to Los Angeles. Like its predecessors it had to encounter the opposition of the Southern Pacific while exercising its right of eminent domain over a large rancho which lay in the route of any road down the coast to San Diego, in which direction the Southern Pacific now began to look for carrying forward further developments.

The Atlantic and Pacific had another, but more circuitous, route from the east than the one via The Needles; namely, by a branch from Rincon to Deming in New Mexico, where it connected with the Southern Pacific. In 1888, also, the Cuyamaca and Eastern railroad company was chartered, with the purpose of running a nearly straight line thence to The Needles to connect there with the Atlantic and Pacific, and saving a distance of two hundred miles, as well as opening up the country along the road. Connection was also to be made with a line from Salt Lake City, which would then have a seaport where since the founding of that mid-continent commonwealth it has desired to have one. It was not improbable, either, that the Southern Pacific would secure an entrance to San Diego over this line, as well as the Union Pacific. Money to build this road, at \$35,000



per mile, was obtained on a first mortgage from the Mercantile Trust company of New York, the bonds being in denominations of \$500 and \$1,000; and the interest six per cent, to run thirty years. The road was under the management of John T. Blair in 1889.

The Los Angeles, Utah, and Atlantic railroad company was incorporated November 13, 1888, with a capital stock of \$10,000,000, divided into 100,000 shares at \$100 a share, with the object to construct and operate a road from San Pedro through the counties of San Bernardino, Kern, and Inyo, to the east boundary of the state, 275 miles, where it was expected to make connection with a line from Utah. It also had in view some other improvements about the bay at San Pedro. The directors were J. C. Marble, of Ohio; S. O. Houghton, L. R. Winans, L. F. Scott, of Los Angeles; and C. W. Scott, of Michigan.

The Stockton, Fresno, and Southern railway company was incorporated about the same time, to run to Visalia, paralleling the Central Pacific line to that place. It encountered, as was to be expected, the opposition of the Southern Pacific, which bonded certain tracts of land selected for the use of the new road, and which set on foot fresh projects in the San Joaquin valley, where the interests of the company had now become so large as to render the paralleling of their road a serious matter.

The Southern Pacific, which in 1885 was consolidated with the Central Pacific, in 1888 and 1889 graded three hundred miles, on most of which the rails were laid. Instead of one longitudinal line through the length of the San Joaquin valley, it had, when this work was completed, three, and a cross line connecting with its coast line, which had also been leisurely constructing since 1883. Indeed there seems no limit to the capabilities of this association to build roads.

In 1887 this company operated 5,576 miles of road, of which 3,888 belonged to the Pacific system, and the remainder to the Atlantic system. The gross



earnings of the year amounted to \$37,930,161, and operating expenses to \$22,712,198; rentals received, \$574,091; rentals paid, \$1,911,650; taxes, \$1,022,263—balance surplus \$12,858,750.40. Adding to this surplus \$652,943.95 interest and income, and there is a grand total of \$13,511,594.35. Out of this was paid \$9,364,503.82 interest on the bonded debt of the corporation; \$1,200,000 to the Central Pacific for rentals; expenditures on leased property, and profits due lines under lease, \$417,274.50. The sum total of expenditures foots up \$12,476,734.39, leaving a net surplus of \$1,034,955.56.

The net profit of the Central Pacific under the lease for 1887 was \$1,086,733.31, which was \$113,-266.69 less than the annual rental, which deficit was payable by the Southern Pacific company.

It will be observed that this refers to the business of the great roads, and has nothing to do with the numerous branch lines about the bay of San Francisco, or the enormous profits of the construction company, which can only be conjectured. The Pacific Improvement company received in bonds for constructing the road from Mojave to The Needles \$6,062,000, at the rate of \$25,000 per mile; and stock to the amount of \$7,275,200, at the rate of \$30,000 for 242 miles, or at an average nominal cost of over \$24,000 per mile; but the actual cost was \$3,526,-791.19, or \$10,441 per mile, leaving a difference of nearly ten millions to be enjoyed when the stock and bonds should come to be at par. The Southern Pacific of Arizona, another name for the associated interests, paid this company \$25,000 per mile in bonds, and \$199,950 in capital stock—par value of stock and bonds being \$19,995,000, and the cost of the road \$14,407,950. Sometimes the construction company owned the whole stock of a road. In fact, there is often as much made or saved, which is the same thing, in building a road as in running it after it is built.

Of railroads starting from the bay of San Francisco, not under the control of the Central and Southern Pacific companies, the San Francisco and North Pacific is the principal. In 1868 an organization calling itself the San Francisco and Humboldt bay railroad company was formed with the purpose of constructing a line through the northern coast counties to Humboldt bay, and ten miles of grading was done, when work upon the road was suspended, it was said because San Francisco capitalists were opposed to improving a rival harbor; also that the California navigation company feared to lose a lucrative trade in Sonoma and Mendocino counties. But whatever the reason for a change of view, the projectors sold the road to Peter Donahue, who sold it to the California Pacific, and it was resold to Donahue by the Central Pacific to settle some accounts with this capitalist. The first work done upon the road was on the 29th of August 1870, the first spike being driven by the then president, Simon Conrad. On its completion to Santa Rosa it received a subsidy of \$50,000 from Sonoma county. The town of Donahue was laid off at the mouth of Petaluma creek, and wharves erected at deep water. The road was extended north to Ukiah in Mendocino county, with a branch to Guerneville, and south to San Rafael and San Quentin, connecting with the North Pacific coast narrow gauge road to Sauzalito. In 1875 the road received another subsidy of \$60,000.

The North Pacific coast road, extending from Sauzalito at the very southern extremity of Marin county to Duncan's mills, in the delightful Russian river region, was opened in 1875, and completed in 1876-7. Connection was made with San Francisco by barges, which conveyed freight-cars to this city, and by elegant ferry-boats for the use of passengers.

The Sonoma valley railroad was commenced about 1880, to run from Sonoma landing to Glen Ellen. The Eureka and Eel river railroad, constructed by

the people of Mendocino county, extended twenty-six miles southeast in 1888. The Vaca Valley and Clear Lake railroad was incorporated in 1869, and constructed from Elmira in Solano county to Vacaville in the same county, for the convenience of shipping fruits and vegetables. It was extended to Winters, in Yolo county, in 1876. It was reincorporated in 1877 and extended to Madison. In 1889 there was a consolidation of five companies controlling lines north of the bay of San Francisco, with James M. Donahue president; F. F. Low, vice-president; and H. C. Whiting, general manager. This consolidation took in all the roads not controlled by the Central and Southern Pacific, and the amalgamation goes under the name of the San Francisco and North Pacific railroad company.

The Northern railway company was chartered in July 1871. It extended from West Oakland to Martinez, 31 miles; and from Woodland to Tehama, 100 miles, forming important links in the railroad system of the Central Pacific, controlling branches between Suisun and Benicia 16 miles, and Martinez and Tracy 46 miles. In May 1888 there were amalgamated with the Northern railway the Winters and Ukiah; Woodland Capay and Clear lake; West Side and Mendocino, Vaca Valley and Clear Lake; San Joaquin and Sierra Nevada; Sacramento and Placerville; Shingle Springs and Placerville; Santa Rosa and Carquinez; Amador branch, and Berkeley branch, all controlled by the Central Pacific, now the Southern Pacific. One year prior to this amalgamation, the Northern railway company, to aid in the construction and completion of its lines, authorized the issuance of \$6,300,000 in bonds, payable in 1907, with six per cent interest, of which \$5,156,000 were issued. In January 1888 the board of directors ordered 21,000 bonds of \$1,000 each, issued, to bear date October 1, 1888, and made payable in fifty years, at five per cent interest, payable semi-annually. These bonds were

issued by the Union Trust company of New York, secured by a mortgage for the amount of the bonds on the property of the Northern railway company and the Southern Pacific railroad company of Kentucky.

Of narrow gauge railways there were several constructed in California, the South Pacific coast, running from Alameda point via Santa Clara, San José, and Wright's, to Santa Cruz, being one of the most profitable. It was chartered in March 1876, and completed in May 1880 from Newark, in the southern end of Alameda county, to Santa Cruz, 51 miles. The remaining 25 miles was built by the Bay and Coast railway company, and leased to the South Pacific Coast company. On the mountainous portion there are six tunnels aggregating 12,000 feet. The road was owned by James G. Fair, James L. Flood, and A. E. Davis. Fair purchased the interests of his partners, and extended a branch to Oakland; but finally sold to the Southern Pacific, to which it now belongs. From Oakland and Alameda it runs half-hourly trips connecting with the ferry line to San Francisco.

The California and Nevada railroad, a narrow gauge, was constructed to a point above San Pablo, with the design of running it to the state line near Bodie, but later was turned into a local road. The Bodie and Benton, another narrow gauge railway, running thirty-two miles in Mono county, was built in 1881-2.

The Carson and Colorado railroad is one of the longest of the narrow gauge lines, and lies in California and Nevada, extending from near Owens lake to Mound house near Carson City, 299 miles. It was built between 1880 and 1885, with a capital stock of \$6,000,000. The Nevada and California, originally called Nevada and Oregon railroad, a narrow gauge, runs from Aurora, Nevada, to Goose lake, California, a distance of 300 miles, or with branches 414 miles.

It was chartered in April 1881. In 1884 it was sold under foreclosure of a mortgage at United States marshal's sale, and purchased for the account of the bondholders for \$372,534.21, when it was reorganized under its present name. Only a portion of this line was completed in 1889.

Other narrow gauge roads are the Colusa county road, from Colusa to Williams; the San Joaquin and Sierra Nevada, incorporated in 1882, and opened in 1885 from Bracks, on the Mokelumne river to Valley Spring, in Calaveras county, forty-one miles; the Sierra Valley and Mohawk, incorporated in 1885, a branch of the Nevada and California, intended to run through Long valley, Beckwourth pass, Sierra valley, and along the middle fork of Feather river to Mohawk valley, thirty-five miles, to develop a timber region; Lake Tahoe railroad, from Truckee to Lake Tahoe, constructed in 1876; with other short roads built by local means, for local uses in different parts of the state.

## CHAPTER X.

### RAILWAYS—NEVADA AND UTAH.

TRAILS OF THE TRAPPERS AND PIONEERS—ALONG THE HUMBOLDT AND THROUGH THE TRUCKEE PASS—THE FIRST WAGONERS—TOLL-ROADS AND BRIDGES—STAGE AND MAIL LINES—PONY EXPRESS—TELEGRAPHS—ERA OF RAILWAYS—VIRGINIA AND TRUCKEE—THE CENTRAL PACIFIC—NEVADA CENTRAL—CARSON AND COLORADO—OTHER RAILWAYS OF NEVADA—NETWORK OF ROADS AND RAILROADS IN UTAH—UNION AND CENTRAL PACIFIC—DENVER AND RIO GRANDE—UTAH CENTRAL—SANPETE VALLEY RAILWAY—UTAH SOUTHERN—UTAH AND NORTHERN—SALT LAKE AND WESTERN—UTAH AND NEVADA—BONDED INDEBTEDNESS—STEAMERS ON GREAT SALT LAKE.

IN their search for peltries, in 1825 and subsequently, trappers opened paths across the country. Guided by these hunters, emigrants, fifteen years later, began to tread in their footsteps on the way to the more attractive pastures of California. Separating from the Oregon parties at Fort Hall, the California-bound trains struck across to Humboldt river, the principal stream of northern Nevada, which, contrary to the usual course of streams in this so-called basin, runs east and west, and thus presents a highly favorable transit line. Following the Humboldt to the sink, where it terminates, they sought the Truckee, which guided them over the Sierra. Along this route, corresponding nearly to that of the Central Pacific railway, more than one cut-off was recommended; among them one by L. W. Hastings, who in his *Emigrant's Guide* described a trail south of Salt Lake that proved disastrous to a number of those who first adopted it. The route from Santa Fé, second in importance, ran south of Nevada. Both were made officially



known by the reports of Frémont, who explored the country in 1843-5, along the Sierra and then from the southwest eastward and back. The first wagon was brought to the Humboldt in 1841 by the Barthson party, and two years later Chiles was the first one to make the entire journey in vehicles.

The principal western station was in Carson valley, named after Kit Carson, the celebrated Kentuckian trapper and guide, who after many a tour through this region became associated with Frémont's expeditions, and subsequently rose to prominence in New Mexico. The requirements of both California and Utah induced the government to contract in 1851 for a monthly mail service by way of Placerville to Carson valley, thence across the sink to Humboldt river, and by Hastings' cut-off to Salt Lake City. The carriers were Woodard and Chorpening of Sacramento, the former of whom was slain by Indians; but the latter carried out the contract until its expiration in 1853. During the spring of this year snowshoes were introduced for crossing the Sierra.

The growth of traffic along the route started several projects for roads and bridges. In 1852 a franchise for a toll-bridge over the Carson and for a mountain road beyond it, was granted to John Reese, the trader, and Israel Mott, lately from Salt Lake City, and subsequent founder of Mottsville. His wife, the late Mrs A. M. Taylor, was the first female settler. A mail route was opened between Utah and San Bernardino, for which a post was erected at Las Vegas spring. In 1854 California appointed commissioners to lay out a road from Placerville to Carson.

The new mail contract was undertaken jointly by Chorpening and Ben Holladay, who also established the pioneer stage line to Utah. Three years later, in 1857, J. B. Crandall felt encouraged to start a tri-weekly stage between Placerville and Genoa. It was transferred the following year to L. Brady and company, who made the line semi-weekly from Sacra-

mento. On the third renewal of the contract to Salt Lake City, Chorpene connected weekly with the mail to St Joseph, Missouri.

As the service augmented new routes were sought to shorten the distance, and in 1859 the Simpson trail via Ruby valley was adopted. With these improvements letters came through overland a week sooner than by ocean transit. The accommodation for passengers increased in proportion. A new stage line was started the same year between Placerville and Genoa, using sleighs for crossing the mountains in winter. In 1860 Wells, Fargo and company obtained control of the main line to Salt Lake City. Opposition entered west of Virginia City and made this service remarkably attractive, with elegant six-horse coaches, famous drivers, sprinkled road, and unfailing punctuality.

In this connection appeared the celebrated pony express before mentioned, the conception of Russell and Ficklin, of the Central Overland company, incorporated by the Kansas legislature in 1859-60. The route followed the Simpson trail, along which solitary messengers sped with the costly letter mail, never exceeding twelve pounds in weight. Each rider traversed seventy-five miles, and the total trip between Sacramento and St Joseph occupied nine or ten days. The receipts failed to cover expenses and the express was soon discontinued.

Notwithstanding the efficiency of the Utah line the principal mail service between California and the east, controlled by Butterfield and his partners since 1858, had been passing through Arizona and Los Angeles. The outbreak of the civil war, however, led to the transfer of the equipments to the more central route. The letter mail had to be transmitted in twenty days, together with a thousand pounds of newspaper matter; and a semi-monthly pony express was required. A tri-weekly mail connected with Salt Lake City and Denver. The price paid was \$1,000,000 a year.

Once the pony express performed its trip in less than six days.

The increased traffic along the central route gave further impulse to the agitation for a transcontinental railway. Meanwhile a telegraph line was pointing the way. On July 4, 1858, the Placerville and Humboldt Telegraph company erected the first pole on the line and by 1860 it was extended to Virginia City chiefly by F. A. Bee. Then came the government offer of \$40,000 annually for ten years toward a line to the Missouri. The California telegraph companies united to construct it as far as Salt Lake City by the following year, along the stage route, the Western Union connecting there. In 1863 a line was completed to Aurora, by way of Genoa; in the following year another was finished from Unionville and Star City, via Austin, Virginia City, Nevada City, and Marysville. The high rates induced the Nevada legislature to offer right of way to any telegraph company, and in 1866 a second transcontinental line was built by the Atlantic and Pacific company, through Austin. With the railway came a third line.

Another phase of the agitation was the rage for toll-roads. The first three legislatures of the territory granted sixty franchises, one of the most profitable being the seven-miles span from Gold Hill to Dayton, owned by Howard, Bosworth, and Roberts, over which most of the ore from the Comstock passed to the mills after 1859.

All the early railroads in Nevada, aside from the Central Pacific, were narrow gauge, and, like the Denver and Rio Grande of Colorado, answered well the needs of a newly developing country. From these should be excepted the Virginia and Truckee, the first to be constructed. It was chartered under a special law in 1867, after three other incorporations with slightly different names had failed. The incorporators were William Sharon, D. O. Mills, Thomas Sunderland, A. W. Baldwin, W. E. Barron, Charles

Bonner, F. A. Tritte, Thomas Bell, W. C. Ralston, and J. D. Fry. The engineer who located the road was I. E. James. The counties of Storey and Ormsby subscribed together \$500,000, and the Comstock mining companies \$387,000. The cost of constructing this road was said to be \$52,107 per mile, of which the people paid over \$17,000 for each mile, with the view that the effect of the road would be to enrich the county by taxation. In this matter they had the same experience that California counties had encountered in railroad resistance to taxation. In 1880 the report from the Virginia and Truckee company gave its assets at \$4,856,042.25; receipts for transportation for the year \$1,124,300.32; and net earnings \$449,746.94, which was a very good profit on fifty-two miles of railroad. However, the same report gave the incredible cost per mile of construction as \$71,185, and cost per mile for other assets, including equipment, as \$21,842, making a total of \$93,027; but the per cent of net profit, even at this cost, was 9.26 per mile. But when the assessor came around the company desired to be taxed only on \$6,000 per mile, or including other assessable property, on a total of \$130,350 for eleven and a half miles of completed road. The assessment value was finally reduced to \$11,333 per mile. The total tax paid by this corporation in Ormsby county from 1869 to 1880 was \$154,829.68; while the principal and interest paid by the county on its \$200,000 given to the railroad was \$244,328.05. Of this amount paid by the railroad, \$40,194.50 belonged to the state, leaving the county \$114,635.18 poorer instead of richer by reason of its investment in a railroad. This, together with the high rates of transportation, and the discrimination practised in some instances against shippers in Nevada, caused some dissatisfaction among the people, who perhaps expected too much from the railway.

In 1860-1 several projects for railways appeared, and the first legislature granted charters to four com-

panies; to the Nevada railway company, composed of Stanford, Crocker, and others, which aimed to traverse the territory; to the Virginia City and Washoe company, of H. A. Cheever and others; to the Virginia Carson and Truckee company, of Todman, Moss and others; and to the Esmeralda and Walker river company, of Vibbard, Nye, and others. Only the first road was built under these grants.

So slow was the progress of building that the first rejected state constitution contained a clause for giving \$3,000,000 in bonds to the first company which should connect Nevada with navigable waters. Subsequently appeals were made to congress to grant bonds for the same purpose. When finally the road was completed, the rates were found so high as to prohibit any save the most necessary use of the road and discourage enterprise dependent on cheap transportation, yet low enough to compete with other means of conveyence.

Several franchises were granted for a road to connect the Comstock with the Central Pacific railway, without being carried out. In 1868 William Sharon and others undertook the task, after persuading the counties of Storey and Ormsby to donate \$300,000 and \$200,000 in bonds, respectively, and others to make further contributions to the amount of \$400,000. With this Sharon constructed a portion of the road, and then mortgaged the whole to finish it. The cost of the fifty-two miles, by way of Carson and Washoe cities, including equipments, appears to have been somewhat over \$52,000 per mile, one-third of which had been covered by gifts. The company placed the amount much higher, while reducing the figure for taxation purposes to a mere fraction. Its revenue exceeded in many a year the total cost.

The Pioche and Bullionville narrow gauge road, twenty-one miles in length, was completed in 1873, and was used to transport ores, but with their exhaustion it ceased to be operated. The Eureka and Pal-



isade narrow gauge railway company was organized in 1873, and transferred the franchise to a company which purchased also the Eureka-Ruby Hill road, of five miles, and operated both with profit. The Nevada Central narrow gauge railway, projected in 1874 by M. J. Farrell, was completed in 1880, from Battle Mountain along Reese river to Ledlie, whence another road of two miles conducted to Austin. A branch road of eleven miles was the Battle Mountain and Lewis, from Galena through Lewis and Bullion to Quartz mountain. Lander county granted \$200,000 toward the main road. The Nevada and Oregon narrow gauge company organized in 1880 to build a road from Aurora, via Bodie, to Carson and Reno, and thence by way of Honey Lake valley and Goose lake to Oregon. Ground was broken in 1880, but no material progress was made, and the franchise passed to a New York company.

A road of eight miles was built by Yerrington and Bliss to carry lumber from Glenbrook to the head of the flumes leading toward Carson. The Carson and Colorado narrow gauge railway was incorporated in 1880 to run from Mound house, on the Virginia and Truckee road, along Carson river, through Mason valley, to Walker river and lake; thence through the mineral region of Esmeralda, the borax and salt fields of Rhodes marsh to Candelaria, and onward through Owens river to the Colorado. There were several other incorporations, some being attended by surveys. These undertakings and projects, in a state of less than fourscore thousand inhabitants, indicated vast resources and confidence in their development.

For transportation by water there are no facilities except on the western lakes, where small steamers may succeed. The rivers are useful only for irrigation, save portions of the Colorado, a turbulent, rock-walled river, with gloomy cañons, which is by no means inviting. At the head of navigation Anson Call and partners in 1864 founded the settlement of



Callville, which in the midst of barren sand-hills awaited the progress of navigation on this river.

The mining interests required railways to develop them; they were constructed by home and foreign capital. It was in 1874 that J. M. Farrell, of Austin, began to agitate the subject of a railroad to the Reese river mining district, and labored assiduously for several years to get coöperation from the people and the legislature. At length in 1879 the Nevada Central railroad company was formed, W. S. Gage, of San Francisco, being president; R. L. S. Hall, of New York, vice-president; H. A. Curtis, of Austin, treasurer; J. D. Negus, of Battle Mountain, secretary; Lyman Bridges, of Chicago, chief engineer; J. C. Fisher, of Battle Mountain, master mechanic; F. W. Dunn, of the same place, assistant superintendent; directors, D. B. Hatch of New York, M. E. Angel of Battle Mountain, James H. Ledlie of Utica, New York, M. J. Farrell of Austin, and A. Nichols of the same place. Work was begun, and the road completed in 1880. The state granted a subsidy of \$200,000, and Lander county issued its bonds for \$200,000 more. The road was allowed to charge an average freight of 15.3 cents per ton per mile, and ten cents per mile for passage. The whole construction cost of the road, which was  $93\frac{3}{4}$  miles long, was \$944,590.58, or a trifle over \$10,000 per mile. The total net profit of the first year was \$2,007.13. There was constructed a branch called the Battle Mountain and Lewis railroad.

The directors of the Eureka and Palisade railroad company, organized with a capital stock of \$1,000,000, were Erastus Woodruff, William H. Envor, Mourse Salisbury, John T. Gilmer, C. H. Hempstead, and J. R. Withington. The franchise in 1874 was transferred to Edgar Mills and D. O. Mills, who sold one-half to William Sharon, A. K. P. Harmon, John Shaw, Isaac L. Requa, and Thomas Bell. The total expense of the road, lands, equipments, and buildings,

was \$1,556,616.73, the distance being about the same as on the Nevada Central. In 1875 they purchased the Ruby Hill railroad, a branch, for \$75,000, and constructed additional branches at a further cost of \$75,000. The amount reported received from all sources in 1880 was \$444,532.38, and the total profit \$248,232.94. The per cent of profits on investment was 15.3. The average passenger rate was nine and a half cents per mile, and the average freight rate twenty cents a mile per ton.

The Lake Tahoe railroad, built in 1875 by H. M. Yerrington and D. L. Bliss, was chiefly for the purpose of bringing wood and lumber from Glenbrook to the summit of the Sierra, from which it was run down to Carson City in a flume. The road, which is nearly nine miles long, cost \$30,000 per mile. It has 480 feet of tunnel, and the average grade is 130 feet. Later it fell into the possession of the Carson and Lake Tahoe Wood Lumber and Fluming company, a corporation organized under the laws of Nevada.

The Pioche and Bullionville railroad company, incorporated in February 1872, and 21 miles completed in 1873, was built to be used in bringing out the ore of the Pioche district to the mills at Bullionville; but through the exhaustion of the mines has fallen into disuse.

The Salt Lake and Western railroad, incorporated in 1881, with Bolivar Roberts, James Little, and Perley Williams as directors, was designed to construct a road from Salt lake, or from the Southern Utah or other railroad, through the southern portion of Nevada, to join the California Central, and make a through line to the Pacific at Los Angeles. It was one of the several schemes set on foot by the Nevadans in opposition to the Central Pacific, which were constantly agitated before the passage of the interstate law. It grew out of troubles between the Union and Central Pacific, but was thought would become necessary from the point of business requirements.

The Nevada Southern company was organized in February 1880, to extend the line of the Nevada Central southward; James H. Ledlie, president. The Nevada Northern was organized at the same time, to construct a road north from Battle Mountain to the boundary line of Idaho; R. L. S. Hall, president.

The Eureka and Colorado was organized in 1881, to extend the Eureka and Palisade road to the Colorado river, and was under the same management.

The Humboldt and Colorado railroad company was organized, as its name implies, for the purpose of constructing a railroad from the Humboldt river to the Colorado river; Len Wines, president; but failing to obtain congressional aid, the plan was abandoned. Other schemes for securing transportation have been formed and have failed for obvious reasons. There were in 1889 418 miles of narrow gauge railroad, wholly in Nevada; 442 miles partly in California; and 504 miles broad gauge—Central Pacific and Virginia and Truckee railroads. It could easily be shown were it important to do so that the narrow gauge roads have done much in aid of development as well as the broad gauge roads.

Utah, considering the paucity of population and the comparative poverty of her resources, possesses a network of roads and railroads which speaks well for the enterprise of the people. In 1860 the principal route eastward was the old emigrant road, now followed by the Central overland railway. Westward ran three prominent lines: the northern, which skirted the upper edge of Great Salt lake, crossed the desert and followed the Humboldt and Carson rivers, almost along the Frémont route of 1845. Notwithstanding its length it was preferred for the comparative abundance of water and pasture, and for presenting only two small tracts of desert land. The central, also called the Egan or Simpson route, followed the fortieth parallel until reaching the Hastings pass in the

Humboldt range, where it turned in a southwesterly direction toward Carson lake and Genoa. The southern route was by way of Sevier, Santa Clara, and Virgen rivers to the Frémont trail near Las Vegas, thence across the desert to the junction of Indian river with the Colorado, and on to San Bernardino. Both of the last routes were deficient in grass and water, but the southern one had the advantage of being rarely blocked with snow.

One of the first undertakings in connection with a new settlement was to detail a force for opening a good connection with the adjoining or parent towns. Thus, by 1883, more than 3,000 miles of common roadway existed, supplemented by fully 1,140 miles of railway, of which 297 belonged to the Union Pacific, 150 to the Central Pacific, 386 to the Denver and Rio Grande, 280 to the Utah Central, and 30 to the Sanpete. These roads replaced the several stage lines which since 1850 had maintained a not very regular monthly service with either coast and within the territory. In 1860 a weekly overland stage and pony express appeared, increased soon after to a daily line, which was bought by Wells, Fargo and company in 1866. The purchase proved a loss, for the railway reached the territory sooner than was expected.

The California gold excitement had affirmed the position of Utah as a transit point for overland travel. It was a serious blow to the cherished seclusion of the Mormons, but yielding to the inevitable they sought to draw the best advantage possible under the circumstances, and joined, even officially, in 1854 and 1860, in the memorials for an overland railway. From this they hoped to gain not alone cheap and profitable communication with centres of supply, but additional markets and outlets for produce, and contracts for building the roads. They lacked the means to subscribe for its stock, and could influence only certain deviations by contributions of material and labor.

In May 1868 Brigham Young undertook a contract

for grading between the head of Echo cañon and the proposed terminus of the Union Pacific. It amounted to about \$1,000,000, involving much tunnelling and heavy stonework, and gave employment to fully five hundred men for many months. Notwithstanding delays in surveys, which kept the workmen idle, and also in payments, the contract was faithfully carried out, and in a manner superior to that of any other section. Work was also done for the Central Pacific to the amount of \$250,000. As the money for payment was lacking, rolling stock and material to the value of \$600,000 were delivered to the Mormons.

With these was mainly built and equipped the Utah Central, the first of the branch lines to which the overland road gave rise. It was begun in May 1869, one week after the completion of the trunk line, and is the only one which has preserved its original identity. That it has done so is due to its position as the main connecting link between the transcontinental route and the principal distributing points for the territory, running as it does from Ogden to Salt Lake City, with extensions to Provo and beyond. The original capital was \$1,500,000, in shares of \$100. Few of the directors, save the president, Brigham Young, made large subscriptions. The prolongation of this road was begun at Salt Lake City in 1871, under the name of the Utah Southern, and reached the town of Suab eight years later. In the following year the Southern entered Frisco, 243 miles from the capital, and soon afterward both extensions were incorporated with the Central.

The Utah and Northern was organized in 1871, and completed within three years from Ogden to Franklin, Idaho. The people of northern Utah had subscribed for it at a great sacrifice, and maintained it for several years at a loss, or with meagre returns. It was then sold for a trifle to the Union Pacific, which extended it into western Montana and made it a highly profitable branch. This trunk line also



absorbed the Utah Eastern road, which was undertaken in 1880 mainly with a view to supply Salt Lake City with cheap coal from Coalville. With the aid of the Ontario mine owners it was completed to Park City; but the Union built a parallel line from Echo and gained the control of the other. It also acquired the Salt Lake and Western line, built in 1874-5 from Lehi junction to the Tintic mines, with the intention, never carried out, of pushing it through the rich mining region of Nevada to California. It served chiefly to haul silver and iron ore. The Utah and Nevada, first named the Salt Lake Sevier Valley and Pioche, was begun in 1872, but on account of the failure of the Pioche mines it was completed only to Stockton, in Tooele county, the terminus in 1883, and was afterward surrendered to the Union Pacific.

The Utah division of the Denver and Rio Grande system began work in 1881, and within two years had 386 miles in operation, through Emery, Utah, Salt Lake, Davis, and a portion of Weber counties. Two branches to Little Cottonwood and Brigham cañon, projected in 1872 and completed by local enterprise for mining purposes, became tributary. Fifty miles through Spanish Fork cañon were originally completed by citizens of Springville as the Utah and Pleasant Valley railway, to be incorporated as part of the Denver main line.

The Sanpete valley railway, between Nephi and Wales, thirty miles, was constructed by an English company in 1880, to secure a market for its coal mines. Two short lines, once in operation and known as the Summit county and the American fork, have been abandoned.

The example set by Brigham Young in starting the Utah Central, and its success, were evidently the chief incentives for the several lines undertaken in the early seventies, with insufficient capital and meagre prospects, such as to prompt their surrender to stronger roads. Unfolding settlements are never-



theless clamoring for additional branches, and even if the projectors should suffer, the county will be the gainer by such efforts. In 1883 the bonded debt of the Utah Central stood at \$4,900,000, the Salt Lake and Western \$1,080,000, the Utah and Northern \$972,000, the Sanpete \$750,000, and the Utah Eastern \$400,000.

In connection with railway building sprang up navigation on Great Salt lake. The first steamboat was launched upon it in 1868, to carry ties and telegraph poles from the southern to the northern end. In the following year an excursion steamer was constructed, and in 1870 a larger vessel, costing \$45,000, which depended chiefly upon excursionists. A considerable yachting fleet was also built upon the lake.

## CHAPTER XI.

### RAILWAYS—WYOMING AND COLORADO.

CONFIGURATION—THE FIRST PERSONS THROUGH THE SOUTH PASS—EXPLORATIONS AND WAGON TRAFFIC—RISE AND FALL OF TOWNS—RAILWAY BUILDING—OREGON SHORT LINE—EFFECT OF RAILROADS ON THE WILDERNESS—THE FIRST TRAILS IN COLORADO—EXPEDITIONS OF PIKE AND LONG—TRAPPERS WEST OF THE ROCKY MOUNTAINS—EXPLORATIONS—WAGON ROADS AND STAGE LINES—RAILWAY AND TELEGRAPH LINES—DENVER PACIFIC—DENVER AND SOUTH PARK—DENVER AND NEW ORLEANS—DENVER UTAH AND PACIFIC—DENVER CIRCLE—DENVER AND RIO GRANDE—ATCHISON TOPEKA AND SANTA FÉ, AND OTHERS.

WYOMING was for a time but little more than a highway, with its stations for the westward marching empire. This position was assigned to it by the natural depression extending in almost a straight line along the Platte, from the outlet of the Atlantic states to the South pass, whence the road divides at about equal angles for the two great centres of settlement on the Pacific coast. Explorations for the transcontinental railway affirmed this route as the shortest and easiest. The first to traverse it was a detachment from Hunt's Astoria party, composed of McClellan, Crooks, R. Stewart, and two Frenchmen, who returned eastward in 1812, following the Platte from its head-waters to the mouth.

Long's expedition explored the main Platte and gave more information about this central route. The fur-traders began to traverse it regularly, and in 1826 the Rocky Mountain Fur company brought to the Wind river rendezvous the first wagons, and were able to report to the government that there were no obstacles to crossing the Rocky mountains with

vehicles. The statement was verified by Captain Bonneville, who in 1832 took twenty wagons, heavily laden and some drawn by oxen, along the Platte and through the South pass up Green river.

Shortly afterward emigrants began to traverse the route, and the appeal for their protection, supported by the observations of Frémont on the nature of the country and the Indians, induced congress in 1846 to order the establishment of military stations along that line. The prospective acquisition of California also favored such a measure. To this end Missouri raised in the autumn of 1847 the Oregon battalion of five companies of mounted volunteers. The first post erected was Fort Kearny, originally named after General Childs, at the head of Grand island. It remained a military station till 1871. The next posts were established in the spring of 1849, to prepare for the large prospective emigration to the gold fields. Laramie was accordingly purchased for \$4,000 and improved and enlarged with the necessary additions. Major W. F. Sanderson took command, with three-score men, reinforced soon afterward by two companies. He was replaced in 1850 by Captain W. S. Ketchum.

These posts proved of service also in relieving distressed travellers. As the Indians proved troublesome, other stations were added, and so the emigrants, if prudently keeping in strong parties, were tolerably safe. They followed the north Platte to Laramie, and turned thence in a semi-circle along the base of the Wind river mountains to the South pass. At Salt lake they found opportunity to recruit for the deserts beyond, safer from Indians, but exposed to much hardships. In 1857 W. M. Magraw came with an expedition, under contract with the government to improve the road through the pass. In the following year the improvement was extended from Fort Bridger westward, under Captain J. H. Simpson, and soon afterward Captain W. F. Reynolds together

with Professor Hayden added to the scientific knowledge of Wyoming by explorations northward. Eastward the road was sufficiently good, private persons aiding communication by building a bridge, the first of the kind in the territory, erected in 1849. It paid the owner well in tolls, although several times swept away by floods.

The agitation for a railway led to a series of explorations, beginning in 1849 under Captain Stansbury, whose line from Fort Bridger to the junction of the north and south Platte, in almost a straight direction, was subsequently adopted with a few modifications. It forms a chord to the arc of the emigrant route, passing over more arid ground and over two ranges. The subsequent expeditions for the same object tended chiefly to confirm the value of this selection and to point out the greater difficulties elsewhere. The act for the construction of the railway was delayed till 1862, chiefly owing to the disheartening distance to be covered. After this the railway companies procrastinated, through inability to inspire confidence in the financial value of the enterprise. Finally scruples were overcome, the money came in, and in November 1867 the first train arrived at Cheyenne. Less than two years more saw the completion of the transcontinental road.

This event proved depressing for a time to Wyoming, whose stations and traders had been profiting from the traffic, particularly since 1861, when the mail service was transferred hither from the Arizona route. During the progress of railway construction a number of stations sprang up, which reaped a rich harvest from stage transfers, from the host of railway builders, and from the speculation in town lots which attended every new terminus. For as the latter advanced westward, the hitherto bustling town declined to a petty way station, to await the slow influx of settlers for a gradual revival. Even Cheyenne's population fluctuated between 1,600 and 6,000,

and has of late risen to only 7,000, although sustained by the railroad car-shops, and as the junction for the railway branch to Denver.

The western portion of the territory has been benefited in a degree by the Oregon Short Line railway; but it is the richer central and northern districts that most require this auxiliary to development. Under present conditions they must look to adjoining territories for the growth of settlements. Even the Yellowstone park, which is drawing an ever widening current of tourists, is approachable only by way of Bozeman in Montana. In other parts the want of good wagon-roads retards development.

There is no better illustration of the importance of railways to a new region than is displayed in the effect on Wyoming of the Union Pacific. When it first entered that territory it was little better than a wilderness. Now sprang up towns as if by magic, and trade was attracted even from Colorado by means of a branch road. If the towns could not maintain themselves, the cause lay partly in the unprepared state of the surrounding districts. They were there, however, as ready nuclei for the radiation of settlement, and if they have failed to meet expectations, it is because the country traversed is the least fertile portion, and because of the predominance of grazing, which builds up no large centres. Meanwhile the beneficial influence of the road made itself felt in the gradual suppression of Indian hostilities, and by favoring through this security the industry of stock-raising. Its own wants led to the opening of coal and iron mines together with iron-works, employing a force of some hundreds of men at each of several places, so that the population of southern Wyoming is sustained principally by the railway. The requirements of this body, and the facilities of the road, although distant, have encouraged the gradual spread of farming communities in the interior, which in due time will command superior means of communication

in branch lines, to be followed by a more rapid development.

In Colorado, as in most other frontier regions, the trappers followed the beaten paths of the savages, and subsequent traffic followed the trappers. Yet civilization laid out many new routes, and made many new roads. The Mexicans had gradually been extending their grazing grounds to the upper Rio Grande, encouraged by the exploration northwestward in 1776 of friars Escalante and Dominguez, which had resulted in the opening of a Spanish trail to southern California, through the southwest corner of Colorado and the lower part of Utah.

The acquisition by the United States of Louisiana, bounded vaguely by the Mississippi, had aroused the curiosity of the new owners concerning its aspect and resources, and Lieutenant Z. M. Pike was in 1805 commissioned to make an ascent of the father of rivers, and in the following year to examine the country along the Arkansas. He discovered the peak named after him, moved along the Fontaine-qui-Bouille to the Sangre de Cristo range, touched the tributaries of the Platte, and then turning southward he became entangled in the cañons of the upper Arkansas. Mistaking the Rio Grande del Norte for the Red river, the sources of which he had been particularly charged to discover, he entered Mexican territory, contrary to agreement, and was discovered, arrested, and carried a prisoner to Chihuahua, where he was held for a year before release came. He afterward fought in the war of 1812 as brigadier-general and fell at the assault on Toronto.

The treaty of 1819 assigned to the United States two-thirds of the present state of Colorado, by fixing the Arkansas river as the boundary. Major Stephen H. Long was then sent to inspect the territory. He ascended the Platte, and reached the South park by the southern fork, and renamed Pike peak, influenced



by the botanist E. James, the first to reach its summit. Thence he returned home along the Arkansas, bringing back the damnatory report that all the region between the 39th and 49th parallels, for 500 miles east of the Rocky mountains, was unfit for cultivation. Hence appeared on the maps the Great American desert, which long remained a stumbling block to westward migration.

Trappers had in the mean while added to geographic knowledge west of the continental range, Bridger heading the march into Utah, and others descending the Colorado. The first to behold the glories revealed in the cañons of this river were Workmen and Spencer, who mistook it for the Rio Grande, and followed it with the expectation of gaining Santa Fé. They came upon the Spanish trail to California and joined a caravan then on the way.

Long's march up the banks of the Arkansas served to familiarize this route for the trade opened between St Louis and Santa Fé. The crossing-place was at Bent's fort, which thus became in a measure an entrepôt for Colorado trading posts. This line became more crowded after 1848, when the California gold excitement began to draw a steady current of migration, especially along the Platte and through the South pass.

The explorations of Frémont in 1842-4 served to diffuse a better knowledge of the Rocky mountain slopes. In 1842 he passed up the south fork of the Platte to Fort St Vrain. In the following year he struck across from the Kansas river to the Republican, whence he turned southward to the head-waters of the Arkansas, and then back north and on to the Pacific coast. Returning in 1844 he entered the northwest corner of Colorado and passed through the parks to the Arkansas river, homeward. His third expedition, a few years later, proved disastrous, with the loss of most of his men, animals, and stores, in the attempt to cross the mountains to Rio Grande in the midst of winter.

Emory, Pope, and others added by branch surveys to the knowledge thus attained; but the most decisive information on routes was given by the several explorations for a railway route, ordered by congress in the early fifties. Captain J. W. Gunnison proceeded along the Kansas and Arkansas to Bent's fort, thence by the Apishpa and Huérfino affluents and Sangre de Cristo pass to San Luis park. He examined Saguache valley and penetrated through Cochetopa pass to the Gunnison branch of the Colorado and thence into Utah, where he was slain by Indians. His survey of the passes in Colorado proved that no route equalled the one traversed by the migration along the great depression near the 42d parallel.

Other explorers confirmed this view. Colonel Steptoe in 1854 surveyed the country from New Mexico to Salt Lake City. In 1872-4 Professor Hayden undertook the most thorough investigation so far made of Colorado's topography, geology, and resources. His report for 1874 contains the scientific history of the state, together with observations on its development. Similar service was performed about the same time by Lieutenant G. M. Wheeler, whose detachment under Lieutenant W. L. Marshall gave special attention to Colorado. His route crossed the sagebrush plains east of the great ranges, through Sangre de Cristo pass to Conejos, on the Rio Grande. The topography was obtained of the whole country west of the one hundredth meridian, showing the different approaches available for wagons.

The migration started by the Colorado gold fever in 1858 sought naturally the most direct route from St Louis, as the point of departure for the southwest, and this lay along the Smoky hill fork of Frémont's path. Emigrants from the more northerly states followed the Platte. Thousands of wagons wound their way along these two main approaches in an almost continuous line, employing a freighting force which at one time reached nearly 10,000 men.

Roads were quickly constructed into the mountain, to the parks and cañons, wherever the assemblage of miners invited trade. Several of the rising towns went to considerable expense to direct the traffic in their own direction, away from rival settlements. Cañon City, for instance, sought to control the Tarryall mines by means of a highway, eighty miles in length and marked by mile-posts the entire distance; but carriers had to consult their time and profits, and this route among others fell into disuse. The first bridge in the state was constructed at the mouth of the Clear Creek cañon, on the way to the first mining district of importance. It was owned, as a toll-bridge, by J. M. Ferrell, and assisted to raise to prosperity the town of Golden here founded.

Russell and Majors, the chief transportation firm along the Smoky hill fork, organized a line of stages in 1859, between Leavenworth and Denver, under the title of the Leavenworth and Pike's Peak Express company. It followed the line since adopted by the Kansas Pacific railway. In the following winter the company reorganized as the Central Overland and Pike's Peak Express company, with wider aims, extending to the Pacific. The route was now transferred to the Platte, and Denver was supplied by a branch line from Julesburg, notwithstanding the efforts of Denver men to bring the line southward, by demonstrating that a road along the White river would shorten the distance between Missouri and the Pacific by 250 miles. In connection with the new association was established the celebrated pony express. Ben Holladay, who controlled the route west of Salt Lake City, purchased the eastern portion of it in 1861.

Russell and Major's first stage brought the eastern mail, free of expense to the government, but charged twenty-five cents on each letter to private individuals. No regular mail route was established before the

autumn of 1860. Nevertheless postmasters were appointed in 1859, H. Allen being the first, at Auraria. Before that date Amos Steck acted for the express company.

When the Pacific company constructed its telegraph line across the continent in 1861, Denver was offered a branch line, but the conditions were rejected as onerous, and a daily coach connection with Julesburg had to answer for two years. The increasing business then secured more favorable terms and the branch line was completed by October 1863. The receipts at the Denver office rose frequently to \$5,000 a month, and the first year's income was more than twice the cost of the line. The Western Union, which soon assumed control, laid a line from Denver to Salt Lake City, by way of Fort Collins, making Colorado's capital the repeating station for California despatches. In 1866 the United States and Mexico telegraph company was organized, mainly in Denver, with H. M. Porter as president, and completed a line to Santa Fé by the following year; but was deterred by the disorders in the southern republic from extending it further. The Denver Pacific railway company carried under contract a line to Cheyenne. Central City and other important towns were connected by branches, which in time radiated over the whole state. In the seventies the Western Union acquired the management of all these enterprises.

In the very first decade of its existence Colorado had planned and partly completed a series of railways unparalleled by any of the younger states. Foremost in this enterprise stood Denver, to the energy of whose citizens is due not alone the location there of the capital, but the important position of railway centre. The beginning was within the territory itself. The Colorado Central railway was projected in 1861 and chartered in 1865, with a view to connect Golden with Denver and towns beyond. Its aim was to build up a great city at Golden, and make it the cap-

ital, and to this end its route was designed for the north and west side of the Platte, in favor of the mountain towns and at the expense of Denver. The county of Arapahoe thereupon offered bonds for \$200,000 on condition that the road should follow the east side of the Platte. This was declined, and the county in turn rejected the proposal of the Kansas Pacific line, then making its way westward, to enter Denver for a consideration of \$2,000,000 in bonds; otherwise Pueblo, the southern rival of Denver, or Cheyenne, might become its terminus.

It had at one time been expected that the Union Pacific would pass through Denver, but the superiority of the northern route was too evident. The company offered, however, to assist in building a branch road if the Coloradans would do the grading. Negotiation with the other roads having failed, a board of trade was formed at Denver with the aid of which was organized, in November 1867, the Denver Pacific Railway and Telegraph company, capital \$2,000,000. The county voted \$500,000 in bonds toward the project, and the company applied to congress for a grant of land. Work began in May 1868, and within three months half the distance was graded. Then came delay owing to the failure of congress to pass the bill for bonds and land until 1869; the land being the Kansas Pacific grant between Denver and Cheyenne, now transferred to the new company. The Union Pacific became too embarrassed to fulfil its contract, but the Kansas Pacific assisted to complete the road, which was accomplished in June 1870. Two months later the Kansas Pacific entered Denver.

The Denver Pacific was not remunerative during the first decade, for lack of tributaries from the mining towns, and because the Union Pacific, failing to obtain control of it, absorbed the Colorado Central and built a branch to Golden, extending it to Georgetown, with branches to other towns. It also completed a cut-off from Julesburg to Evans, half way

along the Denver Pacific, which in time was absorbed by its more powerful rival.

In the mean time other companies had organized at Denver to secure the traffic of interior towns and sustain the city. The first of these feeders was the Denver and Rio Grande, organized in 1870 by W. J. Hunt, formerly of Philadelphia, Ex-governor A. C. Hunt of Denver, and W. H. Greenwood, chief engineer. It is a narrow gauge road, which in the course of 1,400 miles climbs heights and makes short curves in a manner excelled only by a South American line. One of its branches stretches between Montrose and Ouray, another to Leadville, and still others to Silverton, Antelope Springs, and Lake City.

The Denver and South Park railroad company, narrow gauge, was organized also at Denver, with Evans at the head. It attains an altitude of 10,139 feet, and passes through Leadville. In 1880 was organized the Denver and New Orleans railroad company, a broad gauge, to unite at the Canadian river with the New Orleans and Fort Worth road. The Denver, Utah, and Pacific is a narrow gauge road. In 1880 was formed the Denver Circle railway company, with W. A. H. Loveland as president, intending to surround the city with a road which should aid in the establishment of suburbs, factories, and pleasure-grounds. The Colorado Northern is a short line tributary to the city.

Of railways outside of Colorado the Burlington, Missouri, and Western has a branch from Nebraska City to Denver, which passes through the partially arid lands now being rapidly reclaimed by means of artesian wells and ditches. The Atchison Topeka and Santa Fé company has over 280 miles of road in Colorado from Arkansas to La Junta and Trinidad, whence it turns into New Mexico. A branch connects La Junta with Pueblo, where the Denver and Rio Grande has a station ; another runs from Pueblo



to the coal mines and coke ovens near the border of New Mexico.

The question is mooted of tunnelling the Rocky mountains, preferably under Gray peak, which has an elevation of 14,440 feet. The narrowest place in the range is about 5,000 feet above the stream at its base, and 10,000 feet above the sea, requiring a perforation of four and three-quarter miles. The Colorado Central runs close to one end of the proposed tunnel, which would come out near Decatur, at the head of the Snake branch of the Grand river. It would shorten the distance to Salt Lake City nearly three hundred miles, besides opening a region rich in minerals and other resources, and cutting many metal veins. The Atlantic-Pacific railway tunnel company was incorporated with a capital of \$7,000,000, in non-taxable and non-assessable shares, to carry out the task, induced thereto partly by the metal veins to be cut during the advance. In May 1884 the tunnel having penetrated 1,600 feet at the east end, and 1,000 from the western side, with a height of nine feet and a width of ten, encountered a mineral formation.

## CHAPTER XII.

### RAILWAYS—NEW MEXICO, ARIZONA, AND TEXAS.

OVERLAND STAGE ROUTE—COOKE'S WAGON ROAD—EXPLORATIONS AND SURVEYS—ATLANTIC AND PACIFIC RAILROAD—SOUTHERN PACIFIC—CENTRAL ARIZONA—ATCHISON TOPEKA AND SANTA FÉ—TEXAS A MAGNIFICENT FIELD FOR ROAD BUILDING—INTERCOURSE WITH MEXICO—HOUSTON AND TEXAS CENTRAL, OR THE GALVESTON AND RED RIVER COMPANY—BUFFALO BAYOU BRAZOS AND COLORADO, OR THE GALVESTON HARRISBURG AND SAN ANTONIO—HOUSTON AND GREAT NORTHERN—HOUSTON AND NEW ORLEANS—HOUSTON WEST AND EAST TEXAS—TEXAS MEXICAN—FORT WORTH AND DENVER.

THE migration of Americans from the eastern part of the United States to California, on the discovery of gold in that territory, was the initiatory step to the great stage roads across Arizona constructed at a later date. The route followed by the early pioneers was Cooke's wagon road from the Rio Grande to Tucson, and thence along the Santa Cruz and Gila valleys to the Colorado, which was crossed at Fort Yuma. Lieutenant-colonel Cooke opened the road to Tucson in 1846, during the war between the United States and Mexico. The first government exploration across northern Arizona was made in 1851 by Captain L. Sitgreaves who, starting from Zuñi in September, crossed the country just above the thirty-fifth parallel. In 1853-4 a survey was made under Lieutenant A. W. Whipple for the Pacific railroad on the same parallel, the route followed being for the most part somewhat south of Sitgreaves'. In the south of Arizona surveys were also made for a railroad route, in 1854 and 1855, by Lieutenant John G. Parke.

These preliminary explorations prepared the way

for a wagon road, and in 1857 Edward F. Beale opened one on the 35th parallel, his route following the line examined by Sitgreaves and Whipple. About the same time another was opened in the south by Superintendent James B. Leach and Engineer N. H. Hutton. Though following generally the line adopted by Cooke it avoided the Tuscon route by leading down the San Pedro river to the Arivaypa, and thence to the Gila, thereby saving a distance of forty miles. On this road was the first stage line in Arizona; beginning in 1858 and continuing in operation until the breaking out of the civil war, when it was stopped by Indian hostilities. This was the Butterfield Overland line, from Marshall, Texas, to San Diego, California. In 1857 bids were received by the United States government for a semi-weekly overland mail service, and that of John Butterfield at \$600,000 per annum was accepted. It seems, however, that Burch and Wood ran the stage for a year before Butterfield took control. In 1859 there was a branch stage from Fort Buchanan to Tubac, and probably there were other short lines in the territory. The next stage line was an extension to Prescott of the one running from San Bernardino, California, to La Paz on the Colorado, and which for many years was the only means of communication between northern Arizona and the exterior. Its owner was James Grant and the superintendent James Stewart.

On the close of the civil war the Butterfield line was reëstablished by Kerns and Mitchell, who carried the mail from Fort Worth to San Diego until the opening of the Southern Pacific railroad, after which the line ran between Florence, Silver King, and Globe City, W. M. Griffith being superintendent. As the railroads advanced, the different stage lines were constantly changed, until the system became one of comparatively short route from railroad stations to the various towns and districts, the most important being those from the Atlantic and Pacific to Prescott, from

the Southern Pacific to Phoenix, Florence, Globe, and Graham county, and to Tombstone.

The two great transcontinental lines, the Atlantic and Pacific and the Southern Pacific, crossing Arizona, the one in the north and the other in the south, now give to the territory unusual opportunities for increasing internal intercommunication, by the establishment of branch roads to all important points. Thus far, however, little has been done in this direction, though many such lines have been projected. In 1884 the Central Arizona railroad company was incorporated, and is building a line from a point near Ash Fork on the Atlantic and Pacific to Prescott. A branch is to be carried to Jerome, and the line continued to Phoenix. This road, when completed, will open up one of the richest mining and agricultural regions in Arizona. Another project is to establish a road from Flagstaff, on the same trunk line, to Globe and Benson, passing through the finest lumber district of the territory; and thirdly to extend the California Southern from the Needles to Wickenburg, Phoenix, and Florence. When these internal arteries are built as supplements to the main trunk lines, Arizona will, with the addition of the minor branches, possess a system of railroads sufficient for all her requirements.

The Southern Pacific was completed to the Arizona boundary at Yuma in 1877, and extended to Tucson in 1880, connecting with the Atchison Topeka and Santa Fé road at Deming, New Mexico, in the following year. It follows the plains south of the Gila river to Maricopa, whence it turns southeasterly to Tucson, from which place it takes a northeasterly direction through the Dragoon mountains, to Railroad pass, whence its course is due east through the Chiricahua and Steins peak ranges.

Starting from the Needles the Atlantic and Pacific takes a northeasterly direction through Mojave county to Peach springs, whence it is continued across

Yavapai in an almost easterly course to Winslow, where it crosses the Colorado chiquito up the valley of which river it proceeds to Holbrook. Thence taking a northeasterly course it passes up the valley of the Puerco, and connects with the Atchison Topeka and Santa Fé railroad at Albuquerque. The line was commenced at the last named place in 1880, and being pushed forward rapidly reached the Colorado in 1883.

Although Arizona is not, as yet, sufficiently provided with telegraphic communication, all the principal towns are connected with the lines that have been built along the trunk railroads. The war department, moreover, has connected all the military posts with a line which, passing through Phoenix, Wickenburg, Florence, and other towns, puts them in connection with the Western Union system on the Southern Pacific. The telephone is in general use in Tucson and Tombstone, and in all parts of the territory the principal mines are connected by it with their offices and reduction works.

Within the limits of New Mexico over 1,500 miles of railroad were completed during the period of 1878-85. The Atchison Topeka and Santa Fé line enters the territory at the Raton tunnel, reaching Santa Fé by a branch line from Lamy in 1880, and in the following year was completed to Deming and El Paso by branches from Rincon. This trunk line has short branches in Socorro county to the mines of Magdalena and Carthage, and a narrow gauge extension from Deming to Silver City. In all it has 680 lines of track. The Southern Pacific has 232 miles within the territory, and the Atlantic and Pacific 179 miles. Near Antonito the Denver and Rio Grande road enters it from Colorado and extends southward 164 miles to Española within 28 miles of Santa Fé. Another division of this line leads westward 60 miles through the San Juan country to the Amargo coal mines, and thence turns northward into Colorado. As

yet New Mexico is deficient in internal railroad communication, but numerous branch lines are projected, and her position greatly favors her, placed as she is in the line of two great overland railroads. Apart from railways, the territory is tolerably supplied with stage-routes from the different stations. All the more important settlements are connected by telegraphic lines with points on the railroads, and are in communication with all parts of the union.

Texas presents exceptional facilities for communication along her level expanse, broken in the principal coast region alone by rivers which are readily fordable toward the central or upper parts, while providing in their lower course the means for cheap water carriage. This favored intercourse with Mexico as well as immigration from the northern states, and was the means at one time of establishing commercial relations with Santa Fé. It has likewise promoted the rapid occupation of the country in all directions, although in the less desirable form of large ranchos and cattle ranges.

The natural advantages for intercourse, no less than the scattered distribution of settlements, may account for the slow growth of railways. Only three hundred miles were in operation in 1870, although their construction was warmly advocated during the period of its independence. The lone star congress granted several charters, but none were acted upon. The oldest one bestowed on existing railways belongs to the Houston and Texas Central, which was incorporated in 1848, under the title of the Galveston and Red River company, by Ebenezer Allen and others. The first in the field, however, and consequently the oldest road, was the Buffalo Bayou Brazos and Colorado, the company for which was organized in 1850 in Boston, by Sidney Sherman, who may be considered as the father of railway development in this state. Work was begun upon it in 1852 at Harrisburg,



where, in the same year, the advent of the new era was signalled by the appearance of the first locomotive in Texas, and the second west of the Mississippi. Progress was slow, and Eagle lake, on the Colorado, sixty-five miles from the initial point, was not reached till 1859. In 1866 the line entered Columbus by way of Alleyton. The objective point was now changed to San Antonio, and by the amended charter of 1870 the name was changed to the Galveston Harrisburg and San Antonio railway, better known as the Sunset route. With the aid of contributions from Béjar, the road was completed to San Antonio early in 1877, with a branch line to Houston, which thenceforth became the passenger terminus. Since then it has justified its appellation by an extension to El Paso, where it connects with the Mexican Central and the Southern Pacific, into which latter system it has been incorporated, although remaining under its own managers. The main line of 848 miles has also connection at Eagle pass, on the Rio Grande, with the Mexican International, and at Spofford junction with the International and Great Northern, which unites with the Mexican National on one side, and northward with other systems. No line has had more influence on the development of the country.

Ebenezer Allen's road had proposed, under its charter of 1848, to run a line from Galveston to the northern frontier but the plan was changed, together with the title, and in 1853 the Houston and Texas Central began work at Houston. The civil war broke in upon it when eighty miles had been covered, and not till 1873 was it extended to Denison City, a distance of 341 miles, there connecting with the Missouri Kansas, and Texas road. The Galveston Houston and Henderson road also connects it with the points named, and among other branches two reach Austin and Albany, respectively, the latter being a proposed extension to New Mexico and Colorado.

Houston Tap and Brazoria railway, chartered in 1856 and completed three years later, was purchased in 1871 by the Houston and Great Northern company of 1866, which forms part of the International and Great Northern, running from Houston to Longview, 232 miles, and from Palestine to Laredo on the Rio Grande, 415 miles. The Texas and New Orleans road was opened in 1861 from Houston to Orange on the Sabine, 106 miles. It now pertains to the Southern Pacific, and by connecting with the Louisiana and Texas railway completes communication between San Francisco and New Orleans.

Galveston proposed in 1873 to build a line from that city to Santa Fé, through the Colorado valley, and to this end organized the Gulf Colorado and Santa Fé company, but the line was diverted along the Brazos to Cameron, Lampassas, and Coleman, 351 miles, from which point it will be carried through the panhandle to its destination. The Fort Worth division passes to that point from Temple junction, and is expected to traverse Indian territory to Fort Dodge.

In 1875 was chartered the Houston East and West Texas narrow gauge road, which now extends beyond Nacogdoches, proposing to connect at Red river with the system of eastern Texas and southwestern Arkansas. The western division was to run from Houston through Victoria and Goliad to Laredo, with a branch to Corpus Christi bay. The Texas Western is another narrow gauge line planned from Houston to Presidio del Norte, 900 miles. So far it connects at Seaby with the Gulf-Santa-Fé road. A third narrow gauge railway is the Texas-Mexican, organized in 1875 as the Corpus Christi San Diego and Rio Grande, and extending from Corpus Christi to Laredo, with branches from San Diego to Houston and to Galveston. It is incorporated with the Mexican National.

All these systems centre properly in Houston, to which half a score lines converge from as many direc-

tions. They promise a great future for a city which so worthily commemorates a great patriot. It is closely rivaled as a centre, however, by Fort Worth, a place which has made rapid strides since its incorporation in 1873. Nearly a dozen lines, completed or contemplated, unite there, among them the Fort Worth and Denver City railway, which crosses the panhandle from the southeast to the northwest.

By 1885 over 7,000 miles of railway had been completed, and many more were in course of construction, not to mention the numerous projected trunk lines and branches which await the rapidly augmenting requirements to assume practical shape. The state has liberally promoted such undertakings by granting charters on easy terms, extending the time for construction, and loaning money. The public generally has given large amounts in donations and subscriptions to stock. With proportionate progress in the adjoining Mexican states, together with the unfolding of manufactures in Texas, it is hoped that the state may obtain a large share of the trade in that quarter.

Texas has also aspired to communication with California, and at one time efforts were made to open here an outlet for Pacific products by railways connecting with trans-Atlantic steamers. For such an enterprise there is a good precedent in the opening in 1857 of the first overland mail route from California to this state, by way of San Diego and San Antonio. The war demonstrated the superior facilities for such a service of the central route by way of Utah, which were affirmed by the early completion of the great transcontinental railway. Of late Texas has regained a share in the service, and her network of roads has also placed her interior postal system on an excellent footing for efficiency and economy. To the California mail must be ascribed much of the impulse given to local service, as exhibited by the increase of expenditure for transportation from \$232,000 in 1856-7 to over \$600,000 in 1858-9. Since then the routes and

postoffices have rapidly multiplied, the latter numbering 1,448 in 1883, and the routes aggregating 18,900 miles in length, representing 9,000,000 miles of transportation; yet the cost did not exceed \$719,000.

Of the 18,900 miles of mail route, railways covered 5,370 and steamboats only 490. This indicates at the first glance a small water traffic, but in reality it is considerable, but along the numerous rivers and the bay-indented shore, in sailing crafts, barges and steamboats of light draught. Stages and railroads absorb most of the passenger traffic and the better class of freight, leaving for water carriage only the freight available along the vessel's course. The importance of the cheaper water route has been duly considered by the government; and larger appropriations are forthcoming for the improvement of rivers and harbors. Private enterprise has also displayed itself in this direction, and in 1850-1 a canal was constructed by the Galveston and Brazos Navigation company, connecting Galveston with the Brazos river. The cutting of eight miles, with a depth of three feet and a half and a width of fifty feet, cost \$340,000. The slack waters of Oyster and West bays provided the remainder of the connection, thirty miles in length. The deepening of river and harbor bars has received most attention. Special efforts are being made to render Galveston available for larger vessels, for this is the best among the ports of Texas, and the outlet for at least four-fifths of her foreign exports. The tonnage of vessels here entered for 1856 amounted to only 10,800. By 1880 it had increased to 118,000, and by 1883 to 154,000 tons. At the latter date the state was credited with the ownership of 274 vessels, measuring 10,700 tons, 36 being steamers aggregating 3,300 tons. Nearly all are purchased, for ship-building is limited to a few small crafts. In 1883 eleven vessels were launched, averaging less than fifteen tons each, of which two were steamers.

## CHAPTER XIII.

### RAILWAYS—MEXICO AND CENTRAL AMERICA.

ROUTES OF THE AZTEC COMMERCIAL CARAVANS—THEIR PATHWAYS AND SUSPENSION BRIDGES—PACK-TRAINS OF THE SPANIARDS—IMPROVEMENT OF ROADS—VERA CRUZ AND MEXICO RAILWAY—COST OF THE ENTERPRISE—MEXICAN NATIONAL—THE INTERNATIONAL—TELEGRAPHIC SERVICE—MEXICAN CENTRAL—TEHUANTEPEC SHIP RAILWAY—PACIFIC COAST RAILWAY AND OTHER PROJECTS—HIGHWAYS OF THE MAYAS—CENTRAL AMERICAN AND ISTHMUS RAILWAYS—SHIP-CANAL PROJECTS—THE PANAMÁ ISTHMUS.

THE usual routes of commercial expeditions among the Aztecs was southeastward to Tochtepec near Rio Alvarado, whence the caravans took separate roads, either to the coast region of Goazacoalco, the Miztec and Zapotec towns on the Pacific, or to the still more distant regions across Tehuantepec. It is not easy to determine how far south the Aztec traders reached. When Cortés was on his march to Honduras, he was furnished by Xicalanco merchants with tolerably accurate maps of the whole region, as far south as the isthmus of Panamá.

The Nahua traders made use of the facilities afforded by lakes and other water-ways. On the lakes of the valley of Anáhuac some 200,000 canoes were constantly plying, and the same means of transport was used to some extent on the navigable rivers of the southern coast, and likewise in crossing streams that had no bridges. The only other means of carrying parcels from town to town, or to distant lands, were the *tlamama*, or regular carriers. The streets of the cities and towns were narrow, though Tenochtitlan, the Aztec capital, had four great avenues, paved

with a smooth, hard crust of cement, and running east, west, north, and south, crosswise, forming the boundary lines of the four quarters. Three of them connected in a straight line with large causeways, leading from the city to the lake shores, and built on piles, the intervening space being filled with earth, branches, and stones, and the surface covered with stones cemented with mortar. They were so broad that ten horsemen could ride abreast with ease, and were provided with drawbridges and breastworks. The southern road, two leagues in length, began half a league from Iztapalapan, and before reaching Tenochtitlan was joined by the Xiloc road, coming from Xochimilco.

The northern road led from Tepeyacac, and the western from Tlacopan, half a league to a league distant. A fourth causeway served to support the aqueduct supplying water to the capital. Owing to the position of the latter in the midst of the lake, canals led into almost every one of its wards, having quays on one or both sides. Many of them were provided with basins and locks to retain the water. Bridges, not a few of them upwards of thirty feet wide, connected the numerous cross streets and lanes, some of which were merely the dry beds of canals. The chief resort of the people was a levee, built to prevent inundations, and stretching in a semi-circle round the southern part of the city, about three leagues in length, and thirty feet in breadth. On this merchants congregated by day, and others in the evening to enjoy the fresh breezes from the lake.

There was another causeway of solid masonry, five feet in height and breadth, running parallel to the Tlacopan road. Several cities on the lake were built on piles. Iztapalapan stood half on land, half over the water, and Ayotzinco, founded entirely on piles, had canals instead of streets. Tlacala stood on four hills, and was crossed by narrow streets, and Tezcucó contained a series of regular thoroughfares.



The Aztecs, who possessed no vehicles, did not require solid roads for heavy traffic, but a number of pathways crossed the country in various directions, and were repaired every year at the end of the rainy season. Here and there country roads crossed the streams by means of suspension bridges, or fixed structures, the latter mostly of wood, but sometimes of stone, and with narrow spans. The suspension bridges were made of ropes, twisted canes, or tough branches, attached to trees, and connected by a netting. They had a swinging motion when stepped upon, and displayed many gaping rents. Brasseur de Bourbourg would have us believe that stone bridges were very common, but he was probably in error.

The Spaniards for a long time after the conquest availed themselves of the Indian trails; but these were soon widened and made practicable for pack-trains and wagons, and additional roads were opened later at important places. The chief routes were from Mexico to Vera Cruz through Puebla and Jalapa; from Mexico to Acapulco, through Chilpancingo; from Mexico to Guatemala, through Oajaca; and the one leading from the capital to Durango, called "camino de tierra adentro." From these main arteries branches and ramifications extended to all the principal towns. The various halting-places were provided with mesones and posadas, where travellers were furnished with provisions, lodging, etc., at fair prices. Many of the roads were difficult and perilous in places, even the best of them, owing to the physical features of the country. Down to the beginning of the nineteenth century they were rarely kept in a satisfactory condition; for which reason travellers and merchandise were transported on beasts of burden, in preference to wagons.

All the European traffic was carried on by the road from Mexico to Vera Cruz, and that with Asia by the one from Acapulco. A traveller required about

eight days to reach Mexico from Vera Cruz, and the road to Acapulco had been but little improved early in the eighteenth century. According to the jesuit father Jaillandries, who travelled over it in 1707, it was rough and troublesome; there were high, rugged mountains, and large rivers, much swollen in the summer time, and without bridges, while mosquitoes and gnats abounded. The journey occupied ten days. After that time great improvements in the highways were effected. Under the administrations of Bucarali, Revillagigedo, and Iturrigaray, the most important roads were placed in a tolerable condition, and stage-lines were established. The efforts of Iturrigaray are especially worthy of note, and to him are the Mexicans indebted for the splendid Jalapa highway to Vera Cruz, the construction of which had cost nearly \$3,000,000 in 1812. This work was begun in 1803, the expense being defrayed by the consulade of Vera Cruz. Opposing interests for many years delayed it, the merchants of Mexico wishing it to pass through Orizaba, while those of Vera Cruz preferred the Jalapa route. Since the independence the republican government has from time opened new, and endeavored to keep the old ones in repair, as well as circumstances permitted.

Lakes Tezcucó and San Cristóbal, in the valley of Mexico, were connected by a dike, and across them thousands of canoes constantly carried grain into the capital. Communication might have been made with Lake Chales and the whole valley, but the government refused to give its consent until Viceroy Iturrigaray ordered the Tezcucó canal opened. Permission was asked of the crown, in 1715, to cut a canal from Goazacoalco to Oajaca, by way of Sarabia, but the petitioners were commanded not to mention the subject again.

The project of a railroad between the port of Vera Cruz and the valley of Mexico was feebly agitated as

early as 1830. The construction of a line from Vera Cruz was begun in 1842, but out of sympathy for the *arrieros*, there were so many impediments thrown in the way, and the work progressed so slowly that less than a dozen miles had been completed in 1865. After this, operations were pushed, and in 1873 the line was finished from Mexico to Orizaba, distant from Vera Cruz about 264 miles, at an expense of \$40,000,000. This opened the eyes of the people to the utility of rapid and easy communication, and several short and disconnected lines, most of them tramways, were soon after constructed. The government afforded the utmost encouragement, by granting subsidies amounting to about \$8,000 per kilometre, without hope of future profit to itself, the subject being simply to open such roads where needed.

The first of the main lines, aside from that between Vera Cruz and Mexico, was the Mexican Central, which runs through the great dorsal cordillera of the plateau, from Paso del Norte, where it connects with the Atchison Topeka and Santa Fé road, and traversing Chihuahua, Durango, Aguascalientes, and Querétaro, finally reaching the capital, its length being upwards of 1,200 miles. It was commenced in 1880 and completed in four years. This undertaking has a franchise, which promises to be equally important, to construct an interoceanic line from San Blas to Tampico with the necessary branches.

The second line, the Mexican National, a narrow gauge, was projected before but commenced after the first named. It runs from Laredo on the Texan frontier, through Saltillo, toward the capital. Obstacles have delayed the construction. The third line, the International, is intended to start at Piedras, pass through Coahuila to Zacatecas, and thence by Celaya to Mexico, with a branch from a point in Tamaulipas to the Pacific.

There is a short line in operation from Guymas to the frontier of Arizona, connecting with the Southern

Pacific, and a broad gauge line is in contemplation between Piedras Negras and Topolobampo in the gulf of California, which may be considered as parallel to the other. An interoceanic railway is being built wholly within Mexican territory, across the isthmus of Tehuantepec. The friends of a ship railway also contemplate the construction across the same isthmus, of a railroad for the transportation of the largest ships, together with their cargoes. The scheme of cutting an interoceanic ship canal across this isthmus was long contemplated, but seems to have been abandoned.

It was proposed to connect Vera Cruz with Tehuantepec, and the company formed for this purpose became consolidated as the Mexican Southern, with an eastern line, intended to run from New Laredo on the Rio Grande, toward the capital, by a road said to be shorter than any before surveyed. This franchise lapsed, however, before the construction was begun. Another extension toward the south opened in 1881, as far as Morelos, to be carried through to Acapulco. A plan is in contemplation to unite all these Pacific termini by means of a gigantic line, namely, the Pacific Coast railway, to run from Fort Yuma to the frontier of Guatemala, and thence, in the future, across the whole continent to Chili.

Many of these schemes will doubtless lie dormant for many years to come; but the impulse has been already given, and the idea of establishing branches is seriously entertained, with the conviction that they will prove both beneficial to the country and profitable to its enterprises. The government built, in 1878, without the aid of contractors, a road from Esperanza to Tehuacapa, at less cost than by the subsidy system. The total length of railroads in operation throughout the republic in 1880 was 1052 miles.

The telegraphic service has more than kept pace with the above mentioned improvements, and its importance is fully recognized by the people as well

as the government. The first line, that between Puebla and Mexico, was erected in 1857. In 1872 the number of kilometres in course of construction was 7,800 and in 1880, it was 16,900. Mexico is also in communication by submarine cables with the United States, and southern countries.

In Central America the Mayas constructed excellent roads all over the face of the country, the most notable being the great highways used by the pilgrims who visited the sacred island of Cozumel. These roads, four in number, crossed the peninsula of Yucatan in different directions, and finally met at a point on the coast opposite the island. Diego de Godoy, in a letter to Cortés, spoke of a place in the mountains of Chiapas, which would have been impassable for him and his party, but for the Indians, who made a road with branches and trunks of trees. On the side overlooking a precipice they erected a strong wooden railing, and then made all level with earth.

In Nicaragua the people used rafts to cross the streams. In Yucatan and Peten they had canoes, or dug-outs, made from single trunks, capable of carrying from two to fifty persons, and propelled by paddles. It has been said that sails were also used, but this assertion is improbable, as the Mayas, like the Nahuas, had not made in the art of navigation the same progress as in other respects. The Guatemalans also employed canoes; and the Chiapanecs, according to Villagutierre, had gourd rafts.

On the isthmus of Panamá the road used by the Spaniards to almost the end of the sixteenth century was that from the city of this name to Nombre de Dios, a distance of about fifty-four miles over a rugged and difficult ground, through forests and streams, and sometimes impassable in the rainy season, during which travelling was extremely perilous. It is related of a Spaniard, who while fording the last branch of the Chagres river, mounted on a mule and with

money and jewels to a large amount in his possession, was carried down stream, that he lost everything, and was only saved by lashing himself to a tree.

When a ship arrived at Nombre de Dios, the cargo was placed in flat-bottomed boats, and carried by way of the Chagres as far as Cruces. Here it was delivered to muleteers, who conveyed it to Panamá. About the middle of the sixteenth century the Isthmus was the gateway between the two oceans.

The question of routes occupied the attention of the government, several being considered superior to the above mentioned, namely that from Puerto de Caballos, now Puerto Cortés, to the gulf of Fonseca, from Trujillo to Realejo, or the bay of Fonseca, and from Portobello to Panamá. The last named was finally preferred, and the route established in 1597.

After Spanish America became independent, and the increase of traffic between its western coast and China, and the numerous islands of the Pacific, demanded shorter and easier communication, various projects were entertained to secure that object either by canal or railway. The most favorable conditions for the former were found at Tehuantepec, Honduras, Nicaragua, and the isthmus of Panamá or Darien.

The routes contemplated for a ship canal have been: 1st, Tehuantepec, connecting the rivers Coatzacoalcos and Chimilapa; 2d, river San Juan de Nicaragua; 3d, river San Carlos, gulf of Nicoya, Nicaragua lake; 4th, rivers Niño and Tempisque, gulf of Nicoya; 5th, river Sapoá, bay of Salinas; 6th, San Juan del Sur; 7th, Port Brito, Managua lake; 8th, river Tamarindo; 9th, Port Realejo; 10th, bay of Fonseca; 11th, Gorgona, Panamá; 12th, Trinidad, Caimito; 13th, Navy bay, rivers Chagres, Bonito, and Bernardo; 14th, gulf of San Blas and river Chepo; 15th, bay of Caledonia, Port Escocés, gulf of San Miguel; 16th, rivers Arguía, Paya, and Tuyra, gulf of San Miguel, river Atrato; 17th, river Napipi, bay of Cupica; 18th, river Uruando, Kelley



inlet. Overland: 1st, Coatzacoalcos, Tehuantepec; 2d, bay of Honduras to bay of Fonseca; 3d, river San Juan, Nicaragua, Managua, bay of Fonseca; 4th, Port Simon to Caldera, Costa Rica; 5th, Laguna de Chiriquí on Golfo Dulce; 6th, Colon, Gorgona, and Panamá; 7th, Gorgon bay, Realejo; 8th, Gorgon bay and San Juan del Sur.

At Tehuantepec the narrowest point is that between the bay of the same name and that of Campeche, length 130 miles. It is drained by the rivers Coatzacoalcos and Tehuantepec, the former running northward over three-fourths of the width of the isthmus, and emptying its waters into the latter bay. The other river flows into the bay of Tehuantepec. There are several lakes and lagoons. The project of cutting a canal across this isthmus, and improving the Coatzacoalcos for navigation, has been often contemplated, and several surveys of the ground have been effected by Spaniards, Mexicans, and Americans with a view to ascertain its practicability. The last surveys established the fact that no extraordinary engineering difficulties existed, as sufficient water would descend from the Sierra Madre to keep the canal supplied. The route begins some thirty miles above the mouth of the Coatzacoalcos, and after traversing a long distance, rises to a level of about 680 feet, then descends to the lagoon on the Pacific, a total distance of 120 miles. By this route the distance from New Orleans to Hong Kong would be 8,245 miles less than by Cape Horn, and 1,588 less than by way of Panamá. Franchises were granted by the Mexican government to private parties for the construction of a canal, but no steps having been taken under them, a grant was given to James B. Eads to construct a ship railway between the two gulfs, capable of transporting the largest ships with their cargoes. The scheme has been pronounced feasible by competent engineers, among whom is Eads himself. But nothing has been

done thus far, except that a company has been organized, and from present appearances the accomplishment of the project is among the possibilities.

The scheme of a canal across the isthmus of Nicaragua, taking advantage of its system of inland waters, is assuming definite form. Surveys have been made of every possible route by able engineers of several nations, and the governments of the United States and Nicaragua, as well as others, are taking active interest in the project. The one which long maintained the preference is from San Juan del Norte to Brito, 169.8 miles, of which 38.98 miles will be of excavation, and 130.62 of navigation by Lake Nicaragua, River San Juan, basin of the San Francisco river, and seven locks. A franchise was granted to several American citizens in or about 1840 to construct a canal, but they failed to do so, and in its place, with the assent of the Nicaraguan government, established the Accessory Transit company, and by means of steamers on the two oceans, on the river San Juan, and Lake Nicaragua transported several thousand passengers to and from California, thus rendering a valuable service at a time when transportation on a large scale was demanded.

Antonio Galvao suggested to the King of Spain in the early years of the Spanish occupation of America, four routes for a canal to join the two oceans, one of them being the isthmus of Panamá. Since that time the ground has been carefully studied by scientific expeditions under the auspices of governments and associations, to ascertain the most suitable points for such an enterprise. No commencement of work was made, however, until De Lesseps, of Suez Canal fame, under a charter given by the Colombian government to a French company, undertook in 1879 the construction of such a canal. The enterprise was pushed, in a measure, and a small part of the work completed; but the greater and most difficult portion remained to be accomplished, though over \$100,000,-

000 had been expended up to 1888. Early in the following year operations were suspended through want of funds.

While the scientists and engineers were studying canal projects, an American company built a railway between Colon and Panamá, under a charter for ninety-nine years, issued by the Colombian government to William H. Aspinwall, Henry Chauncey, and John L. Stephens, all of New York. The road was begun in 1850, was already in operation for a certain distance in 1852, and completed in 1855. The total length of the line—a single one—is 47 miles and 3,020 feet. It has several commodious sideways, namely, Gatun,  $7\frac{1}{2}$  miles from Colon; one near Barbacoas, 22 miles; one at Matachin, 30 miles, and one at the summit, 37 miles. There are stations at every four miles. The undertaking was a bold one, and the construction cost \$8,000,000. Merchandise and effects, even of the coarsest and heaviest description, have been constantly transported over the line. In connection with commerce I have given elsewhere an aggregate of the passengers, treasure, and merchandise that have passed over it from the year the road was finished to a recent date, and to complete the matter, will now state the pecuniary results to the company. The road began to yield an income in 1852 when it had reached Barbacoas. Receipts from 1852 to 1866, inclusive, were \$22,143,850, expenses \$9,871,399; net proceeds, \$12,272,451. Receipts, 1883–4, \$6,306,760; expenses, \$3,979,144; net proceeds, \$2,327,616. In 1881 the railway was sold to the canal company, the shareholders receiving about \$20,000,000.

A survey made by United States officers through Chiriquí, in the Isthmus, showed the practicability of building a railway through the cordillera; and the harbors on both oceans were favorably reported on.

The five republics of Central America have tried to make available their special facilities for internal navigation, more especially Nicaragua, on her lakes, and

the San Juan river. They have likewise made good progress in establishing communication by railway between both seas. Guatemala has one line from the port of San José on the Pacific to the capital, and another from the port of Champerico, also on the Pacific, to Retal Lulen. Honduras has a short narrow gauge track of some thirty-seven miles from the port of Cortés to San Pedro. Salvador is constructing a line from Acajutla to the heart of the coffee region of Santa Ana. In Nicaragua the line between Corinto and Chinandega, and thence to Leon was in operation in 1881-2. The work progressed steadily, and the western section was opened for public service in 1884 connecting with the steamship line on the lake. In the eastern section work was going on rapidly at the end of 1884. A continuous communication by rail between Managua and Granada has been completed. Costa Rica thus far has three lines or sections—the Central, running between San José and the interior provinces, via Cartago, Heredia, Alajuela, Tres Rios, and San Joaquin; the Atlantic, from Limon to the interior; and the Pacific, from Punta Arenas to Esparta.

The five republics are intersected by telegraph lines, connecting them and their chief towns with one another. The isthmus of Panamá has telegraphic communication between Panamá and Colon, and with the rest of the republic of Colombia, whereof it is a part. There is a submarine cable between Colon and Jamaica. This places it in connection with other West India islands and the United States, and hence with Europe. Two other cables connect the isthmus, one with La Libertad, in Salvador, and the other with Buenaventura, and hence with Peru. It is therefore practically in telegraphic communication with the whole commercial world.

## CHAPTER XIV.

### RAILWAYS—OREGON, WASHINGTON, IDAHO. AND MONTANA.

EARLY ROAD-MAKING—FERRIES—RIVER ROUTES AND OCEAN NAVIGATION  
—MAIL SERVICE—NORTHERN PACIFIC RAILWAY—SURVEYS—CONGRES-  
SIONAL ACTION—STIMULATION OF DEVELOPMENT—EARLY EFFORTS IN  
OREGON—OREGON AND CALIFORNIA—WILLAMETTE VALLEY—OREGON  
CENTRAL—EAST SIDE VERSUS WEST SIDE—AN HISTORIC RAILWAY WAR  
—ROAD-BUILDING IN WASHINGTON—EMIGRANT AND OTHER ROUTES—  
WASHINGTON RAILROADS—DEVELOPMENT IN IDAHO AND MONTANA.

IN Oregon the only routes available for a number of years were what were known as the northern and southern lines of travel, and the road to California, with the choice of a voyage by sea to New York or Boston, via the Hawaiian islands. In 1844 several road acts were passed with the object of facilitating internal transportation, and Hugh Burns and Robert Moore were granted rights to keep public ferries on the Willamette. In the following year Thomas McKay received a charter to open a toll-road from the settlement which is now the town of Albany to Fort Boisé, across the Cascade and Blue mountains, but he failed to find a pass. Samuel K. Barlow also received authority to construct a toll-road by the Mount Hood pass, which was so far completed in July 1846 that wagons were brought through, and a few weeks afterward large numbers of people traversed it. Interior transportation long remained in a primitive condition, the slow-moving ox-wagon being the only means of conveyance for freight or such passengers as were not provided with saddle-horses. This state of things continued till 1848 when the new era set in with the discovery of gold.

It was the same with regard to mail facilities, letters being at first carried by private persons. In 1845 the legislature enacted a law establishing a general postoffice at Oregon City, with W. G. T'Vault as postmaster-general; but the funds of the government were too scanty to carry out the intentions of the act. No regular mail service was inaugurated until the autumn of 1847, when a deputy postmaster was appointed for Oregon in the person of John M. Shively, and as special agent, Cornelius Gilliam. Mails now began to be carried between Oregon City and Astoria, and also to a point on Mary river where Corvallis now stands.

After 1848 means of communication and facilities for transportation increased in proportion to the rapid progress of the country. Steamboats began to ply on the Columbia and Willamette rivers, and lines of stage-coaches were in time established. The first steamer that ran between Oregon City and Astoria was the *Columbia*, which made her first trip July 4, 1850. On Christmas day of the same year the *Lot Whitcomb of Oregon*, named after her owner, was launched at Milwaukee. Thereafter steamboats multiplied fast, while ocean navigation also increased.

From 1853 to 1855 there was but one stage-coach, which was owned by Charles Rue, in the Willamette valley. In 1857 a stage line was established between Portland and Salem, and in 1859 a mail and passenger coach ran once a week from Salem to Eugene, and from Eugene to Jacksonville.

But the people of Oregon had much to complain of in the matter of the mail service. In 1860 weekly and semi-weekly postal deliveries at the towns of Hillsboro, Lafayette, Dallas, and Corvallis were reduced to bi-monthly deliveries by order of the post-office department, and this, too, when the people of Oregon were clamoring for a daily mail from Portland to Jacksonville. At this juncture the California stage company came to the rescue by proposing to



the postal department to carry a daily Oregon mail overland. Hitherto the mail-bags were carried by the Pacific Mail steamship company's vessels to Astoria, which only admitted of a bi-monthly delivery. The proposal of the former was accepted, and in October 1860 there was a daily mail.

The early projectors of a Pacific railway expected it to follow the northern route, or if not, that which was finally adopted by the Northern Pacific, at least one that should terminate on the Columbia river, or on Puget sound. This was the idea of congress and of writers on the Pacific railroad question from Jefferson to Asa Whitney. The first American settlements on the Pacific coast were planted in the northwest, at great hazard and cost to the settlers, where they were maintained at their own risk for a dozen years before any substantial aid was given them as belonging to the United States. The need of a good road, even a good wagon road, and one protected by military posts, existed in 1843, and continued to exist down to the time when the government ordered the railroad surveys ten years later, between which dates the inhabitants of the northwest portion of the union memorialized congress for aid in constructing a railroad across the continent, prophesying that great results would follow. Hence there seemed a sort of injustice in finally giving the preference to the central route, although for reasons already sufficiently amplified this seemed unavoidable.

The survey made by Stevens in 1853 was, it has been said, tampered with by the secretary of war, Jefferson Davis, on account of his determination that the south should secure the railroad. However this may have been, the report was sufficiently favorable to cause a strong feeling of hopefulness in the minds of residents in Oregon and Washington. In 1854, F. W. Lander, who thought the Stevens route too near the British boundary, and for other reasons

attempted to find a better way by following very nearly the route usually taken by the annual migrations; and other surveys were subsequently made, as has been shown.

A charter was granted by the territorial legislature of Washington, January 28, 1857, to fifty-eight incorporators of a Northern Pacific railroad company; the road to be commenced within three years, and completed in ten years; the capital stock to be \$15,000,000, which might be increased to double that amount. The same legislature passed a joint resolution to be forwarded to congress, giving reasons why this railroad should be built, and declaring the Stevens survey to be the most practicable for a transcontinental road. Here the matter rested, while the political discords which finally decided the location were distracting congress.

In 1860 the Maine legislature passed a bill granting a charter to the People's Pacific railroad company, which owed its organization to the ideas and efforts of Josiah Perham, who believed a railroad to the Pacific could be constructed with money drawn from the people in small sums. The route selected was the central, and of that the Union Pacific company deprived him after he had spent a good deal of money in the effort to gain the recognition of congress and the assistance of government. Failing in this he changed, with the consent of his coadjutors, says Smalley, in his history of the Northern Pacific railroad, "his Maine charter, his directors, and stockholders, from an organization to build a railroad from the Missouri river to the bay of San Francisco, to one to build from the head of Lake Superior to some unknown port on the forest-clad shores of Puget sound," with a surprising facility. He then labored with as much earnestness for the adoption of the northern route as he had for the central; and having the confidence of Thaddeus Stevens, who shaped all important legislation in the house at that time, had

his bill reported, with a land grant, but without a money subsidy. It was rejected by a majority against it of eleven.

Immediately afterward another bill was prepared, and reported by Stevens, creating a company by direct charter to be called the Northern Pacific railroad company, the same corporators being named in it as in the People's railroad company, besides many others, and some of the features of the bill being identical, one of which, giving all the people of the United States the right to subscribe until the stock was all taken up, by complying with the terms of subscription, and no mortgages or construction bonds should ever be issued by said company, on the road, or mortgage lien in any way made, without the consent of congress. This clause gave so much trouble in practical operations that it was removed in 1870 by congressional consent.

The Northern Pacific railroad act, approved July 2, 1864, by President Lincoln, empowered the company to construct a railroad from some point on Lake Superior, in Minnesota or Wisconsin, westward on a line north of latitude forty-five degrees to some point on Puget sound, with a branch leaving the main trunk three hundred miles east of the western terminus, and running via the Columbia river valley to Portland, Oregon. The capital stock was to consist of \$1,000,000, in shares of \$100 each. The bill was in all respects similar to the Union Pacific railroad bill, except it granted no bonds or money aid whatsoever, and that until the road was completed, not more than ten sections of land per mile should be patented. Every grant and privilege was conditioned upon the commencement of the road within two years, and the construction of fifty miles yearly after the second year, the whole to be in operation by July 4, 1876; and the road was not to be mortgaged or encumbered in any way without the consent of congress; the terms to be accepted within two years, by which time

the company was required to have obtained \$2,000,000 subscriptions to the stock, with ten per cent paid up; otherwise the act would be void.

The incorporators, or commissioners as they were called, were Richard D. Rice, John A. Poore, Samuel P. Strickland, Samuel C. Fessenden, Charles P. Kimball, Augustine Haines, Edwin R. W. Wiggin, Anson P. Morrill, Samuel J. Anderson, of Maine; William Sears, I. S. Withington, Josiah Perham, James M. Becket, A. W. Banfield, Abiel Abbott, John Newell, Austin L. Rogers, Nathaniel Green, jr, Oliver Frost, John A. Bass, John O. Bresbrey, George Shiverick, Edward Tyler, Philander J. Forristall, Ivory H. Pope, of Massachusetts; George Opdyke, Fairley Holmes, J. Huggins, Philander Reed, George Briggs, Chauncey Vibbard, J. C. Frémont, of New York; Ephraim Marsh, John P. Jackson, jr, of New Jersey; S. M. Felton, John Toy, O. J. Dickey, B. F. Archer, G. W. Cass, J. Edgar Thompson, John A. Green, of Pennsylvania; T. M. Allyn, Moses W. Wilson, Horace Whittaker, Ira Bliss, of Connecticut; Joseph A. Gilmore, Onslow Stearns, E. P. Emerson, Frederick Smyth, William E. Chandler, of New Hampshire; Cyrus Aldrich, H. M. Rice, John McKusick, H. C. Waite, Stephen Miller, of Minnesota; E. A. Chapin, John Gregory Smith, George Merrill, of Vermont; James Y. Smith, William S. Slater, Isaac H. Southwick, Earl P. Mason, of Rhode Island; Seth Fuller, William Kellogg, U. S. Grant, William B. Ogden, William W. Greene, Leonard Swett, Henry W. Blodgett, Porter Sheldon, of Illinois; J. M. Winchell, Ellsworth Cheesebrough, James S. Emery, of Kansas; Richard F. Perkins, Richard Chenery, Samuel Brannan, George Rowland, Henry Platt, of California; William F. Mercer, James W. Brownley, of Virginia; John H. B. Latrobe, W. Prescott Smith, of Maryland; Greenbury Slack, A. J. Bozeman, of West Virginia; Thomas E. Bramlette, Frank Sharin, of

Kentucky ; John Brough, John A. Bingham, Oran Follett, John Gardner, S. S. L. Hammedien, Harrison G. Blake, Philo Chamberlain, of Ohio ; John A. Dunean, Samuel M. Harrington, of Delaware ; Thos. A. Morris, Jesse L. Williams, of Indiana ; Samuel L. Case, Henry L. Hall, David H. Jerome, Thomas E. Gilbert, C. A. Trowbridge, of Michigan ; Edward H. Broadhead, Alexander Mitchell, Benjamin Ferguson, Levi Sterling, Marshall, of Wisconsin ; J. C. Ainsworth, Orlando Humason, H. W. Corbett, Henry Failing, of Oregon ; J. B. S. Todd, M. K. Armstrong, J. Shaw Gregory, J. Le Berge, of Dakota territory ; John Mullan, Anson G. Henry, S. D. Smith, Charles Terry, of Washington territory ; H. W. Starr, Platt Smith, Nixon Denton, William Leighton, B. F. Allen, Reuben Noble, John L. Davies, of Iowa ; Willard P. Hall, George R. Smith, Grayle King, John C. Sargent, of Missouri ; William H. Wallace, of Idaho territory ; J. H. Lathrop, Henry D. Cooke, H. E. Merrick, of the District of Columbia.

On the first day of September 1864, thirty-three of the commissioners met, twenty being from the New England states. Josiah Perham was elected president of the board ; Williard Sears, vice-president ; Abiel Abbott, secretary ; I. S. Withington, treasurer. In his speech Perham related how he had struggled against "the footsteps of Time, and the avidity of Death," and against all opposition ; "aided only by those he employed, and the charter from the state of Maine," until success was assured. But it was slow making haste still. In order to keep the enterprise in the hands of its projectors books were first opened in Boston and Portland, until the requisite amount—20,000 shares—was subscribed, to enable them to elect a board of directors. At a meeting of the subscribers December 6, 1864, a board of directors was elected, consisting of Josiah Perham, I. S. Withington, A. W. Banfield, Philander Reed, Ogden Hall, Kiah B. Sewall, Willard Sears, Abiel Abbott,



Nathaniel Greene, jr, J. P. Forristall, John A. Bass, James M. Beckett and Oliver Frost. On the following day Perham was elected president; Reed vice-president; Charles S. Perham secretary; and I. S. Withington treasurer.

The amount in the treasury from the ten per cent was \$200,750. One of the first acts of the board was to vote itself this money to pay the costs and expenses already incurred in obtaining the charter. Smalley says that there was reason to believe "their subscriptions were gauged in amount to correspond to the amounts of their claims against the company;" and that six years later, when assessed for the remaining ninety per cent, they declined to pay, alleging that their services entitled them to stock without further payment. The board then in control thereupon confiscated the whole amount of these original subscriptions.

The next step taken by the president of the Northern Pacific was to appoint a commissioner, William S. Rowland, to talk up the enterprise among business men. Associated with him were Frank Fuller of Utah, and George L. Curry of Oregon. These gentlemen held meetings at the board of trade rooms in Boston, and interested several prominent men, first among whom was Hamilton A. Hill, who himself began actively to work in the interest of the projected road. A committee was appointed, consisting of George C. Richardson, Edward S. Tobey, C. O. Whitmore, F. W. Lincoln, jr, E. B. Bigelow, Alpheus Hardy, Hamilton A. Hill, Otis Norcross, and Avery Plumer, some of the most eminent of Boston business men. This committee, after examining the plans of the company, reported in its favor. "This," says Smalley, "was the first endorsement it had received since the days of Asa Whitney, from men of prominence in business affairs who were able to back up their opinions with their checks." They argued in their report, that the northern route was the only one in which



New England was directly interested, which by connecting with the Grand Trunk railway of Canada, which might be extended along the north shore of Lake Superior, would constitute a through route from Boston to Puget sound.

Another step in advance was made by securing the coöperation of Sir Alexander Galt, of Canada, and the managers of railroads running north to the Canadian line. At a meeting of these officials, Perham frankly admitted that the treasury of the company was empty, that his private means were exhausted and debts were pressing upon him, while his plan of a popular subscription had proven an entire failure; and he proposed, if they would relieve him of his liabilities, to transfer the franchise to them, which was finally agreed to, some of the old directors being retained, while a majority of the new board were Boston men. Those who resigned were B. S. Adams, F. W. Manson, Nathaniel Greene, jr, Willard Sears, Abiel Abbott, F. W. Emery, Ogden Hall, James M. Beckett, and Josiah Perham. Their places were filled by John Gregory Smith, of Vermont; George Stark and Onslaw Stearns, of New Hampshire; Frank Fuller and William S. Rowland, of New York; Benjamin P. Chenery, George H. Gordon, and James C. Converse, of Massachusetts. R. D. Rice of Maine, and Joseph Clarke of Vermont, soon afterwards took places in the board vacated by former members. L. D. M. Swett remained.

The officers of the new board were John Gregory Smith, president; Frank Fuller, vice-president; and Charles S. Perham, secretary. Fuller resigned in a short time, and Phineas S. Fisk was elected; Perham also resigned, and was succeeded by Hamilton Hill. Rowland, director, resigned, and was replaced by George E. Richardson.

The board was a strong one, but it was too exclusively a New England concern, and in that respect lacked breadth and power. It was impossible to

obtain money by stock subscriptions or the sale of bonds except such as were endorsed by the government, and the hope of the company was to secure the help of congress. In 1868 Perham died, without having witnessed even the beginning of the realization of his long dream of a northern Pacific railroad.

The Northern Pacific railroad act required construction to begin before July 2, 1866, and it was January of that year when the franchise was transferred to the Boston directors. It was impossible to begin, as no surveys had been made or map of route filed. An extension of time was absolutely necessary, and Rowland was sent to Washington to obtain it, where but for the powerful aid of Thaddeus Stevens it would have failed—all land-grant roads being in disgrace by anticipation, on account of the scandals attaching to the central roads—but by his aid an extension of two years was secured.

Next an effort was made to obtain the payment, for a period of not more than twenty years, of six per cent interest on the stock of the company, to an average of \$31,000 per mile, the government to be relieved as rapidly as possible from the income of the road, and the sales of all lands on the south side of its line. This measure failed through the combined influence of public sentiment and the opposition of the Union and Central Pacific companies.

Finding that New England alone could not carry the burden of a Northern Pacific railroad, President Smith sought the assistance of Thomas H. Canfield, of Vermont, in forming a syndicate of railroads whose interest and influence should go to support the Northern Pacific, and in this he was successful. William B. Ogden president of the Chicago and Northwestern; J. Edgar Thompson, president of the Pennsylvania railroad; G. W. Cass, president of the Pittsburg, Fort Wayne, and Chicago railroad; Robert Berdell, president of the Erie railway; William G. Fargo,

vice-president of the New York Central, and Thomas H. Canfield, came into the board of directors, displacing six members, namely, Gordon, Clark, Briggs, Richardson, Fisk, and Stark. Edwin F. Johnson was appointed chief engineer, and set about surveying and locating a line extending from Lake Superior to Red river of the north, and from Portland, Oregon, toward Lake Pend d'Oreille; and making intermediate reconnoissances. A favorable report was made to the directors in December 1867, and the project seemed fairly upon its feet, except so far as the very important matter of finances was concerned, the expense thus far, amounting to a quarter of a million dollars, having been borne by about a dozen persons.

Two more years were spent in the endeavor to secure congressional aid; the surveys in the mean time being continued, and the time expended. In the spring of 1869 the reports of civil engineers Ira Spaulding and James Tilton were placed before the board of directors. Tilton had charge of the western end of the line, and reported no insuperable obstacles; but that the construction of that portion between Puget sound and the Columbia river should be first constructed, to meet the requirements of the public and the company, also, by hastening the sale of the company's lands. Another division in Montana, connecting with the navigable waters of the Columbia river, was recommended to be constructed, to assist in the development of the mineral and agricultural resources of that territory, and also the building of the line across Minnesota, for similar reasons. The selection of passes through the Rocky and Cascade ranges was left to be established subsequently.

In 1869 the financial agency of the Northern Pacific was tendered to Jay Cooke and company, who before accepting it placed in the field two engineering parties to make estimates of the cost. That on the western end was in charge of W. Milnor Roberts, and

consisted of Thomas J. Canfield, the company's general agent; Samuel Wilkison, the company's secretary; Mr Claxton; William G. Moorehead, jr; and a son of Edwin F. Johnson, the chief engineer of the company. Roberts made a detailed estimate of the cost of the completed line from Lake Superior to Puget sound, with equipments, which amounted to \$85,277,000, or an average of \$42,638 per mile.

The party on the eastern end of the line consisted of Governor Marshall of Minnesota, John Gregory Smith, and R. D. Rice, president and superintendent; Frederick Woodbrige and Worthington C. Smith, members of congress; C. C. Coffin, journalist, who published an account of the expedition in book form; Lord and Thayer, of Vermont; George Brackett, of Minneapolis; Holmes, representative of Jay Cooke; and Bayless, representing some New York capitalists. The reports of these two expeditions determined the fate of the Northern Pacific, being able to convince Jay Cooke of the value of the company's lands, and surveys of the mountain passes and doubtful portions of the route went on steadily.

Having become assured that government aid could not be obtained, the company bent its efforts in 1869 to securing an act of congress authorizing the company to issue its bonds and give mortgages on its railroad and telegraph lines, in which it was successful. It had leave also to construe Puget sound to mean all the waters connected with the Straits of Juan de Fuca south of the boundary of British Columbia. This act was passed in March, and in April a second act authorized the continuation of the Portland branch to Puget sound, and required the construction of twenty-five miles before July 2, 1871, and forty miles a year thereafter until completed. A grant of land accompanied this extension.

In May a contract was made with Jay Cooke, then the most popular banking establishment in the United States, Cooke insisting that the mortgage should be

made applicable to the lands of the company, as well as the railroad and telegraph line, and it was understood that legislation should be procured to that end. A supplementary contract, in January 1870 modified the former one, but the two together provided for an issue of bonds to the amount of \$100,000,000, bearing interest at the rate of 7.3 per cent in gold. The banking firm credited the railroad with 88 cents on the dollar, leaving itself the liberal commission of 12 cents on a dollar. The contract also gave the firm \$200 of the stock of the company for every \$1,000 of bonds sold, which would have amounted for the completed road to nearly \$20,000,000, and half the remainder of the \$100,000,000 of stock authorized by the charter. The twelve proprietary interests were increased to twenty-four, and half assigned to Jay Cooke. A thirteenth interest being purchased gave the control of the company to the banking firm. The contract made the firm the sole financial agents, and sole depository of the funds of the company, provided for the conversion of the \$600,000 of the old stock outstanding into bonds at fifty cents on the dollar, created a land company to manage townsites, and bound the firm to raise \$5,000,000 within thirty days from January 2, 1870, with which to commence the construction of the road. The money was raised, and the firm made on the transaction \$1,200,000, thus:

A pool was formed in Philadelphia, the members of which took the bonds at par and were given the twelve proprietary interests in the stock at \$50,000 each. The \$5,000,000 of bonds carried with them a total of \$41,000,000 of stock to be issued ratably as fast as twenty-five miles of the road were completed. Each of the proprietary shares were entitled to \$93,400 nominal of the preliminary issue of stock, and in addition to \$83,334 nominal in stock for the twenty per cent stock, the commission on the sale of bonds provided for in the contract. A one-half interest in a company formed to speculate in townsites was also



a part of the premium accompanying these twelve shares.

In the winter of 1870 the legislation necessary to enable the company to issue land mortgages was secured, not without opposition, and the same act made the Portland branch the main line, and the Cascade line the branch, with the right to select land within ten miles of its grant to make up any deficiencies caused by previous occupation.

Cooke made an effort to place the Northern Pacific bonds in Europe, with the Rothschilds, but the Franco-German war put an end to that undertaking, and compelled him to proceed as in the case of the government 7-30 bonds which had been so successfully managed by attractive advertising. Every means was taken and device used to float the bonds on the American market. A London banking-house was established; agencies were distributed through Europe, which published pamphlets in different languages, and Northern Pacific railroad bonds were scattered over the two continents, encouraging the belief that the money would yet be forthcoming. Then came the financial crisis of 1873, which precipitated into bankruptcy Jay Cooke, as well as many another well-established house, and brought an almost universal ruin upon moneyed enterprises.

Meanwhile construction had been begun in 1870, immediately after the \$5,000,000 raised by Cooke had been made available. Twenty-five miles were constructed in Washington, between the Columbia river and Puget sound, in 1870-1. On the eastern end of the line ground was broken in July, at Thompson junction where the line left the Lake Superior and Mississippi railroad, and the road was constructed as far as Brainard, at the crossing of the Mississippi. A purchase was made of the St Paul and Pacific railroad, which had a land grant, and was organized to build a system of roads north and west which would



be of importance to the Northern Pacific. In February 1872 the road was opened from Brainard to Red river. In the same year a lease was effected of the Lake Superior and Mississippi railroad, and in the west there was secured the property of the Oregon Steam Navigation company, covering the navigation of the Columbia and tributary rivers, and a line of ocean steamers to San Francisco, besides steamers on Puget sound. This purchase included two portage railroads on the Columbia, and was a very important one to the interests of the company, which thus gained control of the transportation of the northwest to a great extent.

Thus far all had gone well apparently, but a few months later the company began to suffer a reaction. Bonds were not selling as formerly, notwithstanding the advertising given them. President Smith was criticised for spending too freely the \$30,000,000 already realized from them, and resigned. Soon after Jay Cooke informed the board that he was in financial straits, out of which he must be helped by them on their individual credit. The road-building went on until the Columbia river and Puget sound division was completed, and also the road from the Mississippi to the Missouri river. Then came the panic of 1873, which crushed the banking firm of Jay Cooke and company.

The building of the Northern Pacific railroad had nothing to do with his failure; but his failure had much to do with the embarrassments which overtook the company. The banking firm made over three millions of dollars out of its sale of the railroad bonds of the company. In fact, the bargain had been all in his favor. So anxious were they to secure his talents in aid of their enterprise that the directors conceded everything he proposed—a high rate of interest in gold; a discount of twelve cents on the dollar of the face value of the bonds; a liberal allowance of stock to pay the expenses of advertising and selling

the bonds, and a half interest in the whole remaining stock. It is plain now, if it was not then, that the net earnings of a road through an unsettled country could not be depended upon to pay the interest of seven per cent on bonds for which only \$88 were realized on every \$100 so taxed. When the sale of bonds slackened, and the money market became stringent through other causes, there was no way to avoid the impending disaster. When their \$30,000,000 were expended the Northern Pacific company had six hundred miles of railroad, and owed a debt of \$5,000,000.

Just when this crisis in affairs was visibly approaching, George W. Cass was elected to the presidency, to succeed J. Gregory Smith, and his talents were devoted to the task of saving something from the wreck. There being no money to pay interest, the company issued an acknowledgment of indebtedness secured upon its lands. Bankruptcy proceedings were begun in March 1875. In April Cass resigned, to take the receivership of the company. The application for a receiver came before Judge Shipman, of Connecticut, who promptly signed a decree of foreclosure, and advertised the sale under it as promptly.

A purchasing committee, appointed by the bondholders, June 30, 1875, consisting of Johnston Livingston, Frederick Billings, George Stark, James K. Moorhead, John N. Hutchinson, and John M. Denison, carried out the plan of foreclosure and reorganization. On the 12th of August the committee purchased for the bondholders all the property of the Northern Pacific railroad company, with its franchises, and rights of every description, and they became a body politic and corporate, under the name and with all the privileges that had ever belonged to that corporation. The committee received powers of attorney in a short time representing \$26,000,000 of bonds which were converted into preferred stock, and the whole debt was soon discharged with small cost.

The president elected to succeed Cass was Charles B. Wright of Philadelphia, who had been vice-president in 1873. He had before him a task of no small magnitude. Although the bonded debt of the company no longer remained to trouble it, having been converted into preferred stock, there was still a floating debt of \$5,000,000 which there was no money to pay in the company's treasury. Worse still, construction could not go on, and the road terminated in a wilderness at Bismarck, and little more than paid expenses on the Columbia river division for a year. This had been completed to Tacoma with money derived from the sale of the stock of the Tacoma land company.

In 1876, however, this 105 miles of road netted a surplus of \$300,000, and its business increased gradually until in 1878 the net earnings were \$480,000. In Minnesota and Dakota settlements were slowly forming, but through the advertising given to the wheat lands of the Red river country, thousands of settlers were finally attracted thither, and business on that portion of the road steadily grew.

When the failure of Jay Cooke occurred, another effort had been made to secure from congress the payment of interest on the company's bonds, which, of course, failed. An extension of time was then asked for; but from one cause and another the pending bill was delayed until the time expired for completing the road, and also the year of grace allowed before any action with reference to the land grant could be taken by the government. The company was straining every nerve to fill the gap between the east and west sections, but still 1,000 miles remained when the full time expired, in 1880. There was nothing to be done but to show a determination to complete the road, and trust to the friendly feeling of congress and the courts not to be disturbed in its property right to the land grant, which under a strict construction of the charter was forfeited.

In order to build from the Missouri to the Yellowstone it was decided, in 1878, to issue bonds to an amount not to exceed \$2,500,000, secured by mortgage on that division of the road, and all the land coterminous with it contained in the limits of the grant. The plan also provided for the issue of preferred stock of an amount equal to the bonds. Subscriptions to the stock were to be made at par, and each share of \$100 carried with it a \$100 bond without further payment. This loan was speedily taken and work was progressing when the company failed to obtain an extension of time, and the land grant became jeopardized. The division was built, however, and cost about one million more than was anticipated, creating a floating debt to that amount.

President Wright was succeeded by Frederick Billings, author of the plan to construct the Missouri and the Pend d'Oreille divisions of the Northern Pacific. The latter was provided for by mortgage on the road, and the land grant appertaining to this division; by the issue of bonds to the amount of \$20,000 per mile, for 225 miles, bearing six per cent interest; subscribers receiving a bonus of \$70 in preferred stock with every \$100 bond taken at par. The issue amounted to \$4,500,000. Work was begun on this part of the road in October 1879, J. W. Sprague being manager for the Pacific coast.

Toward the close of 1880 it was thought the company was upon a standing which would admit of a general mortgage covering the entire line, and the whole property of the corporation, in order to build the Yellowstone division. A syndicate of bankers was formed in January 1881, who took one-fourth of \$40,000,000, of bonds at that period at 90, and were given options, which they accepted, to take another fourth during the year at  $92\frac{1}{2}$ , another in 1882, and a fourth in 1883, at the same rate. The company also allowed the syndicate five per cent in preferred

stock upon the amount taken. This contract was considered as favorable to both parties.

A contract was made by Billings, in 1880, with Villard, then president of the Oregon railway and navigation company, which secured to the Northern Pacific connection with Portland, and completed the line to Puget sound, except a section between Portland and Kalama, where steamboats were employed. Traffic contracts were also made with the eastern end of the line by which the use of seventy-five and a half miles of road was obtained, and entrance into Minneapolis and St Paul, with a gift of a considerable body of land in the latter city for terminal facilities.

In 1881 Billings resigned, leaving the affairs of the company in a prosperous condition, the plan of reorganization having been recognized by the courts and the government, and the old stockholders and proprietary interest holders having been satisfied. The old bonds were nearly all exchanged for preferred stock, which had risen from \$8 to \$80 and the common stock from \$1.50 to \$50.

The retirement of Billings was coincident with the appearance on the scene of Villard, who had formed a project for acquiring a controlling interest in the Northern Pacific company by furnishing it with means to complete the main line, which he proposed to do through a syndicate of financiers in this country and Europe. The negotiations concerning the use of the Oregon railway and navigation company's line to Portland afforded an opportunity to skillfully introduce the subject at the time when the company were considering the matter of further financial operations, and Villard then made an effort to supplant with his syndicate the one already formed to take \$40,000,000 of bonds, in which effort he was unsuccessful.

But there was another scheme by which the same end could be accomplished, which was to purchase a majority of the stock of the Northern Pacific and

Oregon railway and navigation and Oregon improvement companies, and to do it secretly in order not to alarm either company or raise the price of their stocks. To purchase many millions of dollars worth of shares by private means required extreme caution and consummate tact, but it was accomplished in the winter of 1880-1. In February of the latter year he issued a private circular to half a hundred capitalists upon whom he could rely, asking them to subscribe to a fund of \$8,000,000, to which he would contribute largely, to enable him to found an enterprise the nature of which would be divulged at a future time. Such was the confidence of these persons in his skill as a projector and financier that the money was offered in a single day, and in some cases an angry demand was made for larger interests than were obtainable by a fair distribution.

It was then explained that the money was wanted to form a Purchasing Syndicate with the object above stated, and the subscribers were so well pleased with it that \$12,000,000 more was raised without trouble, and the money paid in by installments reaching to April 1882. The company formed June 24, 1881, under this plan was called the Oregon and Transcontinental company. A controlling interest in the Northern Pacific having been secured, the board were informed, and naturally being suspicious of his intentions received his overtures of a friendly alliance very coldly, while a representation in the board was refused him. Villard then offered to purchase the stock of the directors of the Northern Pacific but was again refused.

At the time when these events were occurring there remained \$18,000,000 of the common stock of the company undistributed, and President Billings decided to divide it at once among those entitled to receive it as the road was constructed; but Mr Villard hearing of this procured the issuance of an injunction to arrest the distribution. Litigation followed, and a compromise was effected, by which Villard



secured three places in the board for his men, Thomas F. Oakes being elected first vice-president, and Artemus H. Holmes director. During the brief period between the resignation of Billings and the 15th of September following, A. H. Barney had served as president.

At the annual meeting of the Northern Pacific stockholders in September, the directors chosen were Frederick Billings, Ashbel H. Barney, John W. Ellis, Rosewell G. Rolston, Robert Harris, Thomas F. Oakes, Artemus H. Holmes, and Henry Villard, of New York; J. L. Stackpole, Elijah Smith, and Benjamin P. Cheney, of Boston; John C. Brellitt, of Philadelphia, and Henry E. Johnston, of Baltimore. Villard was elected president; Oakes vice-president; Anthony J. Thomas, second vice-president; Samuel Wilkeson, secretary; and Robert L. Belknap, treasurer. Thomas was from the banking house of Drexel Morgan and company, and subsequently J. Pierpont Morgan, and August Belmont were elected in place of A. H. Holmes and Elijah Smith.

The Oregon and Transcontinental company were helpful in more rapidly completing the Northern Pacific, which in 1883 was opened to Portland and Tacoma over the lines of the Oregon Railroad and Navigation company, the joining of the east and west divisions being celebrated with great pomp at Helena, Montana, bondholders from Europe and the United States being entertained by President Villard with princely prodigality, who afterward took them over the Oregon leased lines, and showed to them the kingdoms of the earth from the windows of the presidential car.

Villard was now in the zenith of an immense popularity. But he was destined to an obscurity; for in a few months after the opening of the Northern Pacific he was discovered to be hopelessly insolvent; and in the wreck of matter which followed the railroad companies were involved, and to some extent all

the business interests of the northwest. But his brief reign in Washington and Oregon had given so great an impetus to the growth of the country, grafted as it was upon the policy of the Northern Pacific, which, while not grasping, was necessarily economical and careful, that his personal popularity remained after his ability to be dictator had ceased. From the shock of the fall of its manager the Northern Pacific had hardly recovered when he once more by a happy stroke enabled it to complete its branch over the Cascade mountains to Tacoma, and regained his place in the directory.

Of the three great transcontinental roads, none have produced greater changes in the country through which it passed than the Northern Pacific. It has made the state of Dakota: it has settled the Yellowstone valley, and has turned the rich but heretofore unproductive plains of the upper Columbia into continuous wheat-fields, dotted over with homes blest with prosperity and contentment. Along its line beautiful cities have sprung up as by magic which are destined to grow steadily in importance, like the cities of the middle states, which have been made by the lines of transportation great business centres. Every encouragement was given to agriculturists to raise crops for distant markets, and elevators were erected at convenient distances for loading trains. Branches were extended from the trunk line to each lateral valley, to gather in the products of the harvests. Mining was encouraged, minerals discovered, coal mines opened, navigation facilitated, and the country which so long slept in wintry lethargy suddenly blossomed into summer bloom and fruitfulness; and the dream of the first projectors of a Pacific railroad is being realized—by the aid of the Oregon Short line—over the very route by them selected.

Before the Northern Pacific was chartered, local companies in Oregon and Washington had made some

attempts at railroad enterprises, but not with marked success. As early as 1853 the Oregon legislature passed a memorial to congress in regard to the matter then under discussion in that body, and even before this a railroad had been talked of from the Columbia river at St Helena to the Willamette valley. Several charters were granted by the territorial assembly in 1853-4, none of which survived the period to which they were limited for commencement. The name of one of them, indeed, was transmitted to a successor; no more. This was the Oregon and California railroad company.

In 1863 S. G. Elliott, civil engineer, who had located several of the short lines in the foothill counties of California, surveyed the route from Marysville in California to Jacksonville in Oregon, for the California and Columbia River railroad company incorporated in October of that year. He proposed to the people of Jacksonville to raise money to complete the survey, but they declined to have anything to do with a California enterprise.

Joseph Gaston, however, then residing in Jackson county, became deeply interested in the project, and himself raised a company to continue the survey, which he placed under the direction of A. C. Barry, who was ably assisted by George H. Belden of the United States land survey. Barry not having a treasury at his back, relied chiefly upon the gratuities of the farming settlements, while Gaston applied himself to more diplomatic work of moulding public sentiment through printed circulars, and raising funds for necessary expenses. By the time the legislature met in September 1864 Gaston had ready Barry's report, which declared it entirely practicable to build a railroad from Jacksonville to the Columbia at St Helen. James M. Pyle, senator from Douglas county, and member of the committee on corporations, made a favorable report, advocating state aid. A subsidy bill was drawn up by Cyrus Olney of Clatsop county,

granting \$200,000 to the company which should first construct 100 miles of railroad in the Willamette valley. The bill passed, but no company ever claimed the subsidy, although a company, calling itself the Willamette Valley railroad company, organized in November, and opened books for subscriptions in December. The incorporators were J. C. Ainsworth, H. W. Corbett, W. S. Ladd, A. C. Gibbs, C. N. Carter, I. R. Moores, and E. N. Cooke. Ainsworth was president, and George H. Belden secretary.

Meantime Barry had proceeded to Washington with his reports, and petitions obtained by Gaston, expecting by the aid of the Oregon senators, Nesmith and Williams, to get a bill passed granting a land subsidy, at least. Becoming tired of the delay attendant upon such attempts, he left Washington, but not before he had secured the introduction of a bill through congressman Cole of California, which granted to the California and Oregon railroad of California, and such company organized under the laws of Oregon as the legislature of that state should designate, a land grant similar to that of the Union and Central Pacific railroads, these roads to be joined at the Oregon boundary in one continuous line. This bill was passed in 1866. The choice of the legislature fell upon the Oregon Central, recently organized, the state being pledged to pay interest at seven per cent upon \$1,000,000 of its bonds, to be issued as the work progressed, on 100 miles of road, but the act in 1868 was repealed as unconstitutional. The incorporators of the Oregon Central were R. R. Thompson, E. D. Shattuck, J. C. Ainsworth, John McCracken, S. G. Reed, W. S. Ladd, H. W. Corbett, C. H. Lewis, of Portland, and Jesse Applegate, M. M. Melvin, E. R. Geary, S. Ellsworth, F. A. Chenoworth, Joel Palmer, T. H. Cox, I. R. Moores, George L. Woods, J. S. Smith, B. F. Brown, and Joseph Gaston.

Soon after the books were opened, S. G. Elliott reappeared in Oregon with a proposition from the

banking firm of Cook and company, asking the company to transfer its line to the California company to build, each of the incorporators to receive for their interests \$50,000 in unassessable preferred stock of the road. There then occurred a division, Gaston, and most of the company outside of Salem, being opposed to the transfer, but the Salem people being caught by the apparently tempting offer, projected a new company under the name of the first, with the intention of driving the original company from the field and securing for themselves the land grant and the state aid. In the struggle for ascendancy which ensued, the capital which had been engaged for twenty-five miles of road was withdrawn, and the project seemed likely to be ruined.

That part of the company, headed by Gaston, which adhered to the original plan, removed the line of the Oregon Central to the west side of the Willamette, both companies retaining the same name, and commenced canvassing among the farmers for right of way and subscriptions. The east side company, which incorporated in April 1867, adopted a different method. Seven of their number subscribed one share of stock each, at \$100, and electing one of the seven president, passed a resolution authorizing that officer to subscribe seven million dollars for the company, an act contrary to the incorporation law of the state, requiring one-half of the capital stock of a corporation to be subscribed before the election of a board of directors, which board in this case consisted of J. H. Moores, I. R. Moores, George L. Woods, E. N. Cook, and Samuel A. Clarke. Woods was elected president, and Clarke secretary. To these were subsequently added J. H. Douthitt, F. A. Chenoweth, Green B. Smith, S. Ellsworth, J. H. D. Henderson, S. F. Chadwick, John E. Ross, A. L. Lovejoy, A. F. Hedges, S. B. Parrish, Jacob Conser, Thomas McF. Patton, and John F. Miller. Before the next meeting of the legislature, thirteen more



directors were added to the board, being men of prominence in their neighborhoods, and intended to have weight with the law-makers. Each of these received a share of the stock subscribed by the president, but no bona fide subscriptions had been made.

The west side company, in order to hold its own, had also to resort to special financiering, Gaston, who as a matter of fact, had no money of his own, after raising considerable among the people, subscribing \$2,500,000, in order legally to elect a board. The first board of the west side company consisted of W. C. Whitson, James M. Belcher, W. T. Newsby, Thomas R. Cornelius, and Joseph Gaston. Gaston was elected president, and Whitson secretary.

The war continued to be carried on. Elliott, as agent of the east side company, went to the Atlantic cities to find purchasers for the bonds of his company, while Gaston continued to use that weapon mightier than the sword, and to issue pamphlets and circulars setting forth the facts as between the belligerents. Suit was also brought to restrain the Salem company from using the name of Oregon Central railroad, Gaston appearing for plaintiffs and J. H. Mitchell for defendants. Judgment was avoided by the court holding that no actual damage had been sustained. The contest did not stop here, but was continued through several lawsuits.

Elliott meanwhile had succeeded in closing a contract in Boston for a large amount of material, which contract was annulled when Gaston's circulars reached that city, and Elliott was compelled to return with the poor showing of two locomotives and some shop supplies. A compromise was now talked of, but could not be effected, because the east side company would not agree to go over to the west side, and the people who had become bona fide subscribers to the west side company would not consent to have the road taken away from them. It was, in short, a case of Portland versus Salem. Portland had pledged inter-



est for twenty years on \$250,000 of the company's bonds. The counties of Washington and Yamhill had pledged the interest on \$50,000 and \$75,000 respectively. The east side company had secured some means, and announced that they would break ground April 16, 1868, at East Portland. This advertisement spurred on the rival corporation to inaugurate its construction two days earlier; and on the 14th of April the first railroad building in Oregon was begun in South Portland, except the portages of the Oregon Steam Navigation company, which were built several years earlier.

Surveying and construction now went on, but under great difficulties from suits at law and want of funds. In August Ben Holladay arrived in Oregon, and soon after the east side road was transferred to him. As he was believed to be a capitalist of ample resources for prosecuting the construction of the work, the west side company was compelled to redouble its exertions. But the power of money to break down, as well as to build up, was soon felt in the action of the legislature, which was persuaded by it to revoke the rights of the original company, designated in 1866 as the recipient of the land grant, which was now by legislative act transferred to the company of which Holladay was now the head, and which was endeavoring to prevent the issuance to its rival of the Portland city and Washington county bonds, in which it was successful.

An appeal was made to the secretary of the interior, who decided that neither company had a right to the land grant, the time having lapsed when twenty miles should have been completed. Of the two Oregon senators in congress, H. W. Corbett was the champion of the west side, and George H. Williams of the east side company. Williams had a bill already prepared extending the time for filing assent so as to allow any company theretofore designated by the legislature to file its assent in the department of the

interior within one year from the passage of the act. This amendment, passed in April 1869, placed the companies on an equal footing, leaving the courts to deal with the legal question. Suit was then brought to enjoin the east side company from using the name of the original Oregon Central company, which being decided in favor of the older corporation, the later one took the name of Oregon and California railroad company.

But the result of congressional action had caused the withdrawal of Portland capital, and the abandonment of a contract taken by S. G. Reed and company to complete the first twenty miles on the west side. The president of the company, with the money in the Washington county treasury, graded the road-bed to Hillsboro, and then went to Washington city, after a tour through the west side counties intended to bear on the next election of a legislature. He arrived at the national capital in December, in which month the Oregon and California company completed its first twenty miles, and secured the land grant. He succeeded in obtaining a new grant for his road as far as McMinnville, beyond which Williams opposed a grant, lest it should embarrass Holladay in the execution of his designs; but he consented to a branch to Astoria, with a grant of land, which act was passed May 1, 1870.

While Gaston's bill was pending, a contract was entered into with a Philadelphia firm for the construction of 150 miles of railroad, which would carry it about to the head of the Willamette valley. At the same time arrangements were made with the representatives of a railroad intended to be constructed from the Humboldt river, at Winnemucca, to the Columbia, to unite at Eugene and form a line with the Oregon Central. This, however, Holladay's supporters, fearing the entrance into Oregon of the Central Pacific of California, strenuously opposed, and compelled the Winnemucca company to alter their

bill to connect with the Oregon and California at some point in southern Oregon. The amendment destroyed the enterprise, and left the Oregon Central a merely local line to McMinnville. Holladay, to complete his advantage, bought in the debts of the concern, and threatened it with bankruptcy. To avert this disaster Gaston sold out the road to Holladay on his agreeing to complete it as designed by him.

The Oregon and California was completed to Roseburg in 1873, and the Oregon Central to St Joseph in 1872, both proving of great benefit to the country in inducing settlement and improving the condition of the people, as well as by furnishing an outlet for the production of exportable products. In 1876 the German bondholders, finding the interest on the bonds of the Holladay roads to be lagging behind in the payments, sent an agent to examine into their condition. This was the downfall of Holladay, the roads being taken out of his hands, and placed under the management of Henry Villard.

Gaston in 1878 built and put in operation the narrow gauge railroad between Dayton and Sheridan, with a branch to Dallas, solely with means raised among the farmers of that section. In 1880 the road was sold to William Reid of Portland, who extended it twenty miles farther, and built another narrow gauge line from Ray landing on the Willamette river to Brownsville.

In 1879 Villard formed a syndicate of European and American capitalists, as has already been mentioned, with the object of combining Oregon railroad interests with the Northern Pacific. Under his vigorous management not only was that road completed to Portland, but the Oregon system was rapidly extended. The Northern Pacific had purchased the property of the Oregon Steam Navigation company only a year or two before the failure of Jay Cooke. When the crash came this stock was widely scattered,

and of course its value not being well known in the east, it fell to almost nothing in the market. The old directors and stockholders set on foot a movement to gather in the shares, and succeeded so well as to obtain a large majority of them, which they now owned separately from their interest in the Northern Pacific. These shares were sold to Villard for several millions, and combined with his railroads constituted the property of the Oregon Railway and Navigation company, incorporated June 13, 1879, of which Villard was president and J. N. Dolph vice-president. Its object was to combine all the transportation interests in Oregon, as the Oregon and Transcontinental company, organized in June 1881, was formed to bring under one control the Northern Pacific and Villard's company.

Seven years after Villard obtained the management of the Holladay roads, the Oregon and California road was completed to the southern boundary of Douglas county, and the Oregon Central to Eugene; the Oregon Railway and Navigation company had constructed a line to the eastern boundary of Oregon, where it connects with the Oregon Short line from Salt Lake, and had branches extending into Washington and Idaho, while the Northern Pacific, under the same management, had constructed several short lateral roads in the territory tributary to it, and completed its line from Portland to Kalama. Then followed the operations of the Northern Pacific Terminal company, which constructed a bridge over the Willamette, and erected other costly improvements both in east and west Portland.

In January 1887 negotiations were renewed, which had for several years been pending, concerning the sale of the bankrupt Oregon and California railroad to the Southern Pacific company of California. The terms of the agreement were, in effect, that the holders of the first mortgage bonds should be paid at the

rate of 110 for their new forty years' gold five per cent bonds, guaranteed, principal and interest, together with four pounds in cash for each of the old bonds; the new to be issued at the rate of \$30,000 per mile, and secured by a new mortgage, equivalent in point of lien and priority to the first mortgage, and bearing interest from the first of July 1886. Preferred stockholders would receive one share of Central Pacific, and four shillings sterling for each preferred share, and holders of common stock three shillings for every four common shares. The transfer was accomplished on May 1, 1887, and the road was completed to Ashland, Oregon, where it was joined with the California and Oregon line December 17, 1887. This sale gave the California system the control of the trunk line to the Columbia river, which had been dreaded originally by the Oregon company. The Southern Pacific also became the purchaser of the Oregon railway bought by Reid in 1880.

Another change in the Oregon system of railroads was effected in 1887 by the Union Pacific company. Formerly, when Villard had control of the Oregon Railway and Navigation company, he had endeavored to induce the Union Pacific to take an interest in that combination, but without success. It now wished to secure a perpetual lease of this property, and the people of Oregon were quite willing to grant this company an entrance to their state for the sake of thereby acquiring a through line to Omaha, by taking in the Oregon short line road through Idaho, which, although a Wyoming corporation, was controlled by the Union Pacific. But Villard, who was again in the Northern Pacific directory, was sagacious enough to foresee active competition which might be injurious to that company, and opposed the lease. The Oregon Pacific, or Yaquina Bay railroad, also was opposed, as this road was gradually building toward the east, and feared the influence of the Union Pacific.

It was necessary that the legislature should pass a special act giving authority to the Oregon Railway and Navigation company to make a lease; but when such an act was passed Governor Penneyer declined to sign it, and it became a law without his signature. By the laws of Oregon the lease of any railroad to a parallel or competing line is prohibited, competitors being considered desirable; and thus the agreement which through the intervention of Villard was finally consummated made the Northern Pacific a party to the lease. It gave the right and power after July 1, 1888, for ninety-nine years, to the Oregon Short Line and Northern Pacific companies jointly to manage, operate, and control the leased line, fix rates of transportation, dispose of the revenues between them, and pay equally the rental agreed upon. A temporary injunction was granted restraining the directors of the companies from signing the lease, but it was finally dissolved and the agreement went into operation at the time agreed upon. It is not likely to be ninety-nine years, however, before a new arrangement is required, as already there has been talk of a parallel road, to be built by the Northern Pacific. The Southern Pacific has given intimation of running a branch through southeastern Oregon and Idaho, and the Oregon Pacific, completed between Yaquina bay and Albany in 1887, is located across the state about centrally with regard to the Willamette valley. It will cross the summit of the Cascade range by a pass 4,377 feet above the sea, at the head of the Santiam river, its destination being the Boisé valley, when it will connect with a road from the east. At the Pacific it connects with the Oregon development company's line of steamers to San Francisco.

The narrow gauge system before spoken of was soon extended from Dayton to Portland, under the name of Portland and Willamette Valley railroad. A branch of the Oregon Railway and Navigation company's road extends from Pendleton to Walla Walla



and beyond, and others were projected toward the central counties of eastern Oregon. Thus in less than a quarter of a century a great state was redeemed from isolation, and raised to almost a foremost rank, in no slight degree by the power of rapid transportation. Once begun, its progress cannot be checked.

The relations of the Northern Pacific to Oregon and Washington were similar under the incorporation act, both having a terminus. The change which made the Portland branch the main line, terminating on Puget sound, with a branch over the Cascade mountains also terminating on the Sound, made Portland a way station, and gave the influence due to a great corporation chiefly in Washington. Owing to the difficulties under which each division of the road was constructed, and the doubt entertained concerning its final terminus, it was slow of completion. Tacoma was selected by the Townsite company of the Northern Pacific for its terminal point, both on account of its advantages as a harbor and its nearness to valuable deposits of coal. But in point of fact the terminus of the Northern Pacific must be where the requirements of commerce will take it, whether at Seattle, or farther down the Sound, and hence railroad connection has been made with Seattle down the east shore of the Sound by another company. In 1889 a company was incorporated in Seattle under the name of Seattle and Southern railway, which very indefinite title gives little information of its purposes; but the general belief was that the Southern Pacific was closely allied with the enterprise, and that it intended to go to Puget sound over the road of the new corporation. The capital stock of the company was \$7,000,000. The board of trustees consisted of W. E. Brown, Charles Cadwallader, George W. Prescott, of California; Cyrus Walker, H. G. Struve, J. P. Hoyt, L. S. J. Hunt, of Washington. The president was Thomas Ewing of San Francisco; the vice-president

L. S. J. Hunt of Seattle, and treasurer J. P. Hoyt, of the same place.

The first charter granted to a railroad company in Washington was to the Cascade railroad company in January 1856, the incorporators being B. B. Bishop, William H. Fauntleroy, and George Murray, who obtained a franchise to construct a road from the lower to the upper Cascades. The first track laid down was a wooden tramway, which was purchased by the Oregon Steam Navigation company, and laid with iron, with a proper railroad outfit.

A charter was granted in 1862 to the Walla Walla railroad company, but the survey was not made until 1871. It was graded, and laid with wooden rails, on which flat cars drawn by a seven-ton locomotive were first run; but this not answering the purpose iron rails were substituted in 1875, the road costing \$10,300 per mile, and being built entirely by private capital, except \$25,000 donated by the county of Walla Walla. In 1881 it was sold to the Oregon Railway and Navigation company, the track widened to the standard gauge, and was extended to the Blue mountains.

In 1864 the Seattle and Squak railroad company was incorporated, to run from Squak lake to Seattle. In 1882 the Puget sound and Gray harbor railroad company was incorporated, with the object of constructing a railway from Seattle to Gray harbor, a distance of only 58 miles, but has never made much progress. The Bellingham bay and British Columbia railroad company was designed in 1887 to parallel the eastern shore of Puget sound, and open to settlement the series of rich if narrow valleys of the western slope of the Cascades. In 1888 a railroad from Seattle to Spokane Falls was projected. The name of this company, Seattle Lake Shore and Eastern railway, indicates something of its intention, which was to go to Spokane to meet a branch of the Canadian Pacific, and secure an eastern outlet. About

the same time the Washington and Idaho railroad company let its first contract of 140 miles of grading between Spokane Falls and the Cœur d'Alene mines. This company was controlled by the Oregon Railway and Navigation company's stockholders, and was intended to connect by a short branch with that corporation's Palouse branch. These roads were intended to develop both the agricultural and mining regions of Washington and Idaho, which they are rapidly doing.

The Northern Pacific may be assumed to be the parent of railroad enterprise in the northwest, for out of it has grown the development of all the successful systems. There remains only to mention the works of the Terminal company at Portland, where acres of wharves, a dry dock, railroad bridge, and other improvements attest the large investment at this point. The Terminal company was organized under the laws of Oregon with a capital stock of \$3,000,000 owned jointly by the Northern Pacific, Oregon Railway and Navigation company, and Oregon and California company. It was to issue, as required, for the creation of its terminal property, \$5,000,000 of first mortgage bonds; and the three companies agreed to pay rental sufficient to pay six per cent interest on the bonds and to provide a sinking fund to extinguish the principal at maturity. Into this arrangement the Southern Pacific was subsequently brought, and a union depot at west Portland of fine proportions and great cost has since been erected.

Tacoma, as before remarked, was chosen to be the western terminus of the Northern Pacific as early as 1873. The financial troubles of that period prevented much improvement at this place before 1880, from which time it had a slow growth until 1887, when the completion of the Cascade branch gave a great impetus to business and settlement. The company owned in and around Tacoma 13,000 acres of land

estimated in 1888 to be worth \$10,000,000. Two miles of water front increases the value of its property. The construction and repair shops of the company are located here, and here the land company has its headquarters, as well as the railroad company, while some fine buildings have been erected by both. The population of Tacoma increased from 720 in 1880 to 15,000 in 1888. It then boasted a hotel, which had cost \$250,000; a system of water works, which cost \$300,000; a university costing \$75,000; a girls' and a boys' seminary endowed by Charles B. Wright of Philadelphia, long known as a railroad man; several churches very tasteful in architecture; manufactures, banks, and all the accessories of urban elegance, where a few years before stood a solemn forest of firs and pines, much of which may justly be attributed to the influence of railroad enterprise. Without motion man is a sentient block. Add wings to his feet, and he becomes a worker of marvellous things, a creator. What in another century will his growing wings have enabled him to do?

Considering the inaccessibility of the greater portion of her territory, the development of lines of communication in Idaho was exceptionally rapid. As the earliest immigrants into the Oro Fino district came from Oregon and California, congregating at Portland and Walla Walla, the first route opened was from the latter place, and the journey to the mines was accomplished with the aid of pack animals and teams. A line of steamers, however, was quickly put on the Columbia, and plying on the Snake river landed thousands at the mouth of the Clearwater. As the gold discoveries continued, and the miners became scattered all over the country, energetic traders cut trails whereon to convey their goods to new mining localities, while enterprising parties of explorers searched for the most practicable routes from their camps to the nearest points of distribution.

Wagon roads were projected, ferries established on the rivers which intercepted them, and stage lines inaugurated.

The pioneer of staging in southern Idaho was Henry Greathouse, who constructed a road connecting Centreville with Idaho City and Placerville. He was also a proprietor on the route from the Columbia to Boisé. George F. Thomas and J. S. Ruckle owned the line from Walla Walla to Boisé, on which was employed a famous driver from California named Ward. Thomas had been a stage-driver in Georgia, and in company with Ruckle opened a stage road over the Blue mountains, which was completed at great expense in April 1865.

By the spring of 1864 numerous stage lines were in operation, among which may be mentioned that of the Oregon and Idaho stage company, running between Umatilla and Boisé, and owned by Ish and Hailey of Oregon; and the line from Idaho City to Boisé and Owyhee, owned by the driver Ward and John J. McCommons. In June a road was opened up the John Day river through Cañon City to Boisé, and in the preceding February a company had been incorporated to build a wagon road from Snake River ferry near Old Fort Boisé to Red Bluff, California.

In May two express lines were established between Boonville and Sacramento, and somewhat earlier in the same year a contract to carry the tri-weekly mail from Salt Lake to Walla Walla via Boisé City was awarded to Ben Holladay and company, carriers of the California mail. The first overland mail arrived at Boisé on the 1st of August.

Immigration from California and Nevada was so great in 1865 as to require increased facilities for travel and transportation. Hill Beachy, an enterprising citizen of Boisé basin, established communication with Star City, Nevada, but after a few trips had been made, was compelled to abandon the route, owing to the hostilities of the Indians. Other undertakings

were similarly interrupted, as that of John Mullan, who organized the Idaho and California Stage company, to run stages from Boisé City and Chico, California, to Virginia City, Nevada.

But hostile Indians were not the only antagonists whom these enterprising men had to confront. The Oregonians were violently opposed to direct trade being established between Idaho and California, whereby they would lose the profits arising from a continuance of the line of travel and transportation through their own state. The new routes were warred against by the Oregon newspapers, which so represented them as to deter people from travelling or shipping freight over any other than the Portland route and the toll-roads and ferries connecting with Idaho, which were monopolized by Oregonians. Again the owners of the steamship line between San Francisco and Portland, and the Oregon Steam Navigation company on the Columbia, were not willing to see their monopolies destroyed.

In spite, however, of opposition and the Indians, the routes above mentioned were successfully opened by Mullan's Stage company in the spring of 1866, whereupon the Oregon Steam Navigation company reduced their freight charges. Then were opened the rival lines from Boisé City to Susanville, California, and from Sacramento to Owyhee by the Truckee pass; and while the expense was great, the competition which resulted therefrom afforded facilities for travel rarely enjoyed in new countries. Development had been somewhat retarded by the difficulties experienced in establishing these line of external communication; but all obstacles were speedily overcome by the energy of the people, and that, too, without aid from the general government which has done little for the improvement of the territory.

Railroads were advocated at an early day, and various efforts were made to procure the construction of a line passing through the southern portion of



the territory. Different schemes were proposed and attempts made both in the Idaho legislature and in congress to secure their fulfilment, but none of them were brought to a successful conclusion. It was not until 1879 that the Union Pacific company, impelled by the vigorous measures adopted by the Northern Pacific to complete its road, decided to extend through Idaho their branch called the Oregon Short line, which, connecting with the Oregon Railway and Navigation company's road to the Snake river, forms a continuous railway from Granger in Wyoming to the Columbia, with a branch to Ketchum. Another line, completed in 1879, is the narrow gauge road extending from Ogden northward through eastern Idaho to the boundary of Montana, and which in 1881-2 was extended to Deer Lodge city.

Telegraphic communication is hardly more advanced in Idaho than are railroads. The first line established was in 1864 from Winnemucca, Nevada, to Boise City via Silver City. It was completed in September 1875, and extended the same year to Baker City, Oregon. In 1879 the signal service constructed a line to Lewiston, the object of which was to facilitate communication in the event of Indian disturbances.

The Stevens surveying expedition and the subsequent opening of Mullan's wagon road, elsewhere mentioned, played an important part in opening Montana to settlement. One of the projects of Mullan was to procure steamboat communication up the Missouri to Fort Benton, and in 1853 the *Robert Campbell* succeeded in reaching a point seventy miles above Fort Union, which hitherto had been the terminus of steam navigation on that river. In 1858 and 1859, however, a steamer belonging to the firm of Chonteau and company of St Louis ascended to Fort Benton, and in the latter year Mullan's road was commenced. It was so far completed in 1860 that wagons passed

over it in August, and in September 1862 it was finished, though owing to the requirements of travel a portion of it was re-located. Apart from Governor Stevens and Lieutenant Mullan, those connected with the construction of this military road, which was of great temporary benefit to the whole country, were the civil engineers W. W. De Lacy and Conway R. Howard, besides a number of scientific men and military officers.

Intercourse with the eastern states was now fairly established, and internal communication between populated districts was soon effected by the energy of public-spirited men. Another main artery to external points was the road to Salt Lake, and along the lines of traffic immense trains of wagons journeyed to and fro annually during the portion of the year when the weather permitted of travel. But immigration was subject to extortionate imposts on the highways, for when Montana became a territory, the legislatures passed a great number of toll-road charters, a favorite method of taxing the travelling public. Outrageous tolls were charged for the outlay of a few hundred dollars in grading odd bits of a natural roadway, or for constructing a wretched bridge by throwing a few logs across a stream; then as the traveller proceeded he would arrive at a ferry at which he was compelled to pay a still higher charge. Ferries, moreover, were monopolies, each charter prohibiting the construction of a bridge or the establishment of a ferry within a certain number of miles distant from the point preoccupied under the protection of a privilege. No less than fifty-eight charters, chiefly of this kind, were granted at the November session of 1866, and new ones were repeatedly allowed in spite of the efforts of the press to prevent such abuses. Each wagon from Salt Lake to Helena had to pay tolls to the amount of \$37.50, and as much from Helena to Bighorn river.

The subject of transportation naturally became an

important matter of consideration, and an interest was awakened in railroad schemes that would introduce better and cheaper facilities of communication. During the first decade of Montana's existence as a territory freight charges were enormous, as mining machinery and merchandise had to be conveyed on wagons hundreds of miles, whatever might be the point of departure from the terminus of river or railroad transit. The cost to the people was annually from \$1,500,000 to \$2,000,000, the charges on the Missouri river steamers to the landing at Fort Benton alone ranging from \$300 to \$420 a ton. Moreover, by the Missouri river freight could only be conveyed to Fort Benton during a period of from four to six weeks in the year, according to the stage of the water.

During 1866 there was a large influx of population, and the season being favorable for navigation, no less than thirty-one steamers arrived at Fort Benton. These vessels were built especially for the St Louis trade, and brought over 2,000 passengers and 6,000 tons of freight, valued at \$6,000,000. The freight charges by boat alone amounted to \$2,000,000, and to convey the goods to the different mining centres 2,500 men and 20,000 oxen and mules were employed. Large immigrant and freight trains were also arriving yearly by overland routes from the east. In 1864 about 1,000 wagons reached Virginia City by the central or Platte route, and in the following year the immigration by that road was very large. The circuitous route, however, induced Bozeman to survey a more direct line from the North Platte; a road was opened and considerably travelled in 1866, but was subsequently closed by the government for several years on account of the Indian war. Heavy wagon trains with flour, salt, and bacon also arrived from Salt Lake, while pack-mules, laden with clothing and articles of domestic production from San Francisco were driven from Walla Walla to Helena

on the Mullan road, which had fallen into such poor condition as to be unfit for wagon travel.

The reduction of freight expenses had now become a necessity, and by railroads alone could such a result be attained. After the passage by congress of the right of way act in March 1875, a railroad convention was held at Helena on April 21st, at which it was resolved that a committee composed of one delegate from each county should be appointed to solicit proposals from the Northern Pacific, Utah Northern, Portland Dalles and Salt Lake, Union Pacific, and Central Pacific railroad companies, and to invite commissioners to the legislature which would convene in January 1876. The only company to take action was the Northern Pacific, which appointed its vice-president, George Stark, and its chief engineer, W. Milner Roberts, a committee to confer with the legislature on the subject of extending their road from the Missouri at Bismarck up the Yellowstone valley for two hundred miles. The result was that the company accepted the loan of the credit of the territory for \$3,000,000, at eight per cent interest, secured by a lien on the traffic of the proposed road. It was believed by the advocates of this measure that the reduction in the cost of freight would soon amount to the \$3,000,000, if the people would consent to the temporary burden. When, however, the vote of the people was taken in April, there proved to be a small majority against the subsidy.

At the next session of the legislature in 1877, the Utah Northern offered to build three hundred miles of narrow gauge railroad; from Franklin in Idaho to a point as far north as the Bighole river; for a subsidy of \$5,000 a mile in bonds of the territory; but this scheme also fell to the ground, through the legislature passing a bill changing the route so that the line would extend from Fort Hall, Idaho, to Helena. Again in 1879 the same company made another proposition, which the governor strongly advocated, but

which met with so much opposition that the bill introduced for the purpose in the legislature was defeated.

But the time had arrived when the failure of railroad bills could not prevent railroad building. The Northern Pacific was rapidly approaching the Montana line, and competition effected what legislation had been unable to accomplish. In 1880 the Union Pacific constructed 110 miles of the Utah Northern, and in the following year the line was opened to Helena. With the completion of the Northern Pacific railroad, Montana had the use of two trans-continental lines, and a new era of prosperity began.

Freight charges were lowered even before railroad communication was obtained in Montana. When the Northern Pacific reached the Missouri at Bismarck, the Diamond railroad company made connection with it by wagon trains, thereby compelling the Union Pacific to make special rates to Ogden for Montana, the charge being \$1.25 per hundredweight, while Utah merchants were charged \$2.50 for the same service; yet the people of Montana sustained the northern route.

## CHAPTER XV.

### RAILWAYS—BRITISH COLUMBIA AND ALASKA.

SPANISH AND ENGLISH EXPLORERS—SCOTCH AND FRENCH CANADIAN TRADERS AND TRAPPERS—THEIR ROUTES AND METHODS OF TRAVEL—OVERLAND BRIGADES—HISTORIC STEAMERS—ROADS TO THE MINES—BRITISH COLUMBIA NAVIGATION COMPANY—CANADIAN PACIFIC RAILWAY—ESQUIMALT AND NANAIMO RAILWAY—THE WANT OF MEANS OF COMMUNICATION IN ALASKA—THE COSMOPOLITAN RAILWAY UNITING ALL THE GREAT SYSTEMS OF THE WORLD.

SPANISH explorers and English trading vessels open the way through the labyrinths of the British Columbian coast, headed respectively by Juan Perez and Captain Hanna, and followed by George Vancouver, Captain Gray, and a host of closer investigators of the inlets and islands. They were met by the swarm of trappers and traders for whom Alexander McKenzie blazed a path across the Rocky mountains. At first the latter clung to the river channels, navigated in canoes and rafts, but as forts multiplied trails were cut for the pack-trains from different heads of boat navigation. The Columbia formed the main route, from the headquarters at Fort Vancouver, prior to American domination.

The orthodox fur-hunting canoe was of birch bark, but here prevailed the bateau, about thirty-two feet long and six and a half in width, made of quarter-inch pine boards, both ends sharp, without keel, and propelled with ore or paddle. Single log dugouts were also used, and special boats were constructed at Okanagan, like whale-boats, but of larger dimensions. They were clinker-built, with all the timbers flat, and so light as to be easily carried. The crew consisted



of the Canadian voyageurs, famed as the finest boatmen in the world, and engaged for a term of years. Their bronzed faces, enfolded in tangled masses of dark luxuriant hair, ever betokened good humor, despite the dangers and hardships of their life. The *lève! lève!* of the leader, summoning them from forest camp to boat, was taken up in a merry morning song to the rhythmic dip of their paddles.

Rapids are descended, often unavoidably, upon unknown streams. Sometimes the boat is lightened. The bowman and steersman exchange their oars for light paddles and with strong strokes sheer the craft aside, as it plunges into the seething flood, now toward one rock, now another. Onward it goes, rising and beating against the hissing current, whirled here by an eddy, knocked there against a boulder, and not infrequently emerging into the quiet waters below, sadly dilapidated, despite the exercise of the greatest care and skill and nerve. During ascents, such places are passed by portage, Indians being always ready, for a trifling gift, to carry the boat as well as cargo, the latter, perhaps, four tons in weight, while the crew of eight to twelve men formed the escort.

On approaching the terminal station, men and craft were decorated with feathers, ribbons, and leaves, and after a flourish of paddles the swift descending boats were brought to a sudden stop by a simultaneous backing of water to the sound of a closing wild halloo. Then came feasting with the long deferred carousal. At the head of boat navigation was met the train of horses, numbering at times two hundred animals, which wound their way through the passes and along the trails to the inland post. In winter the remote north was gained by sledges, with three or four dogs hitched tandem. The cache was resorted to in the absence of convenient means for transportation, while awaiting better opportunities

The supplies of the earliest traders came overland

by the annual brigades, which continued until late years to carry despatches and certain goods to and from Canada, crossing the Rocky mountains from the great bend of the Columbia to the nearest eastward-flowing streams, or from the Fraser to Peace river. As the fur company found itself firmly established, however, ships came regularly with supplies from England and carried back the peltry. After losing more than one vessel on the dangerous bar of the Columbia, Fort Nisqually on Puget sound was made the shipping point, instead of Fort Vancouver, and a way station also for supplies to the coast forts of British Columbia. Conveyance was expedited by the first steam vessel upon the North Pacific, the *Beaver*, a clumsy yet substantial craft, with small wheels placed far forward, leaving the square poop high out of water. Thirty men formed her complement, well provided with weapons, including four six-pounders. In 1852 she was reënforced by the *Otter*.

With the occupation of the lower Columbian region by the United States the fur company transferred their headquarters to Victoria, where the first ship from England arrived in 1845. The site was admirably adapted for ocean and coast traffic, and not far from Fraser river, which now replaced the Columbia as the chief route to the interior. Fort Yale, at the head of the lower river navigation, and soon afterward Fort Hope, became here the connecting points for supply-boats and pack-trains. The California gold-fever stimulated intercourse by bringing vessels to Victoria in search of goods from the surplus stock of the traders, and of coal and fish; but the great impulse to traffic was received in 1858, when British Columbia disclosed gold-fields which attracted thousands of miners and speculators. The value of Oregon as a source of supply, particularly for provisions, revived the Columbia route for boats and trains.

On Puget sound more than one location was

brought into prominence by American agents as entrepôts, whence to reach the mines by a special trail cut through the forests to the Fraser and along its banks; but it was soon found that this river could be ascended by steamboats; and now Victoria regained her position as the seaport and point of distribution for the province. The only drawbacks lay in the adjoining frontier being overrun by smugglers, who seriously affected legitimate trade. Occasional periods of depression in the mining camps left also their impress; but on the other hand they promoted prospecting for new fields, to which access was facilitated by roads constructed under government auspices.

A. C. Anderson explored in 1846 a line from Fort Langley through Kamloop to Alexandria, which in its main features was subsequently adopted as the government road. He also inaugurated the Similkameen Kequeloosa trail. From Fort Hope, established for the purpose, an expedition cut a path in 1849 through the defile of Colquihalla, and continued to use it till the inflowing miners pointed out the superiority of the Lilloet and Harrison lake line. Governor Douglas caught at the suggestion, and arranged with the miners delayed at Victoria to assist in constructing here a road for seventy miles in consideration of their board and passage. This was accomplished in 1858. The several lakes facilitated transportation. Subsequently the Cariboo excitement gave rise to a continuous wagon road along the Fraser, from Hope. It was begun in 1852, and connecting at Clinton with the Lilloet road, turned aside by way of lakes La Hache and Williams to Alexandria and Quesnel, and thence to the centre of the Cariboo mines at Richfield, a point reached in 1865. Meanwhile the exploitation here and in other directions had been followed by trails which overspread the interior basins and table-land in several directions, and were connected by occasional ferries and bridges, as at Spuzzum and Boston bar. Joel Palmer took

wagons in 1858 from Portland by way of Wallula and Okanagan to Kamloop, although not without unloading at several points for crossing rivers and ravines. McLoughlin found a shorter route by Priest rapids to Similkameen, Red Earth fork, and across a divide to Nicola valley. The oldest trail beyond was the one followed by the fur brigade, which connected at the Forks with the Hope-Spuzzum path, and continued northward. The Colville brigade trail was also used, and with the Kootenai excitement several paths were opened east of it, toward the headwaters of the Columbia. For these routes the government also granted aid, but they owed their existence chiefly to enterprising traders.

As in fur-trading times the pack-trains used boats as auxiliaries, and gradually small steamers were introduced on different rivers and lakes. The *Cadboro* had in 1827 ascended the Fraser to found Fort Langley, and the steamer *Beaver* had since then entered many a river and inlet. During the first half of 1858 her consorts, the *Otter* and *Sea Bird*, were making regular trips to Langley, as the declared head of steam navigation. Early in June the *Surprise* tried the current above, and reached Hope without difficulty. A few weeks later the *Umatilla* reached Yale, making this the terminus. Most of these and other early steamboats were American. In 1859 the British Columbia Navigation company assumed the lead under the management of John Irving, an experienced sailor. The Pioneer line which succeeded to it had early in the eighties some seven steamers on the Fraser, two running between Soda creek and Quesnelle, Kamloop, and Savona's ferry. During the railway construction the *Skuzzy* forced the passage of Fraser cañon under many difficulties. The Big Bend excitement brought several steamboats to the eastward waters. The *Forty-nine* opened in 1866 the navigation between Colville and Death rapids, paying for her cost the first season; and others joined to divert

traffic from Victoria. The government hastened to improve the Shushwap route and the Hudson's Bay company put the steamer *Martin* on Shushwap lake and gave life to the town of Seymour. Latterly a project was started to connect this with the Okanagan lake, adding over one hundred miles to the navigation of the Thompson. The Cassiar rush led to the introduction of the light-draught steamer *Flying Dutchman* upon the Stikkeen, which was found navigable during several months of the year as far as Skakesville, one hundred and seventy miles from the mouth. On Dease lake and elsewhere a flotilla of boats and canoes penetrated up the minor streams. The union with Canada entailed the promise of a fortnightly steam service with San Francisco, and twice a week with Olympia. This subsequently increased, and communication was for a time held with China.

A certain amount of traffic with the northern districts passes through the rivers emptying in Alaska. British Columbia in her turn is an intermediate point for intercourse with that territory, for United States government vessels, the craft belonging to the fur and fishing companies, and the regular steamers from San Francisco nearly all touch at her ports, en route, and pick up goods and passengers. Indian canoes secure much of the sectional transportation.

The excitement created by the California gold discovery first directed attention to future interoceanic communication between the British possessions on the Atlantic and Pacific, owing to the flow of migration from Canada into the United States and the industrial value acquired by the western slope. The Fraser gold rush gave more definite shape to this idea, and the Grand Trunk railway then completed to Sarnia, was expected to rapidly pursue its course to the Rocky mountains and beyond. In 1858 an exploring expedition under Palliser was vainly seeking a practicable

route to the Fraser, but the first flush of excitement over, the project was laid aside as visionary.

In 1868 Viscount Milton revived the subject in parliament after his travels in the northwest. Others increased the agitation by magnifying the territorial designs of the United States as foreshadowed in the acquisition of Alaska, and affirmed in its subsidies to the interoceanic railway then about to be completed.

The confederation act of 1867 for forming the dominion of Canada, into which British Columbia was most eager to be admitted, roused British Americans to the value of such a link, for connecting not alone the American provinces but to bring England closer to her India possessions. The latter prospect induced the home government to lend its influence toward the incorporation of the Pacific colony with the dominion in 1871. The act contained the hasty promise that a connecting railway should be commenced simultaneously on both coasts within two years, and be completed within ten years. British Columbia agreed to convey to the dominion government, in trust, a land grant for such road not to exceed twenty miles on each side of said line, in return for which that government offered to pay the province \$100,000 annually from the date of the union, and to guarantee a further sum in aid of a groving-dock at Esquimalt.

In pursuance of the arrangement surveys were begun in the same year, and continued for several seasons at heavy expense; yet not till 1879 did the chief engineer decide in favor of Thompson and Fraser rivers for the route, with terminus at Burrard inlet. Plans for construction had been equally dilatory. In 1869 Engineer Burpee had incorporated the Canadian Pacific railway company, and proposed to raise £20,000,000 for a road from Minnesota to the Yellowhead pass. The project lingered till 1872, when an attempt was made in the Canadian parliament to obtain a grant of 50,000,000 acres of land and a subsidy of \$30,000,000; the sale of the land, whereof the government



retained the alternate blocks, twenty miles in depth, was expected to reimburse the money to be advanced. The bill passed with the aid of an imperial guarantee loan of £2,500,000, which left so small an additional interest for Canada to meet as to permit the formation even of a sinking fund for cancelling the debt within forty years, without increased taxation.

By this time a rival company had entered the field, tempted by the prize. The first, known as the Montreal party, was headed by Sir Hugh Allan, one of the richest men in the dominion; the other, termed the Toronto, had hardly less staunch supporters. The cabinet preferred to select the most responsible men from both sides, and to this new association was granted the charter. Assuming the lead, Allan proceeded to London to raise for the Pacific Railway construction company the sum of \$108,000,000; but conservative English capitalists exhibited no eagerness to invest so much money in a wilderness which would not become settled for generations. The difficulties revealed by the surveys did not tend to increase confidence, and the contract lapsed.

British Columbia grew impatient. With the disclosure of fresh gold fields, and the gradual development of her agricultural and other resources, she had become elated with the idea of her importance. She attached undue weight to the statements of politicians and journalists on the other side of the border, and to the consequent alarm of the home country, caused by magnified estimates. Land, for instance, was valued at the rates prevailing in Ohio and Indiana, with little regard for the difference in geographic position and in the attractions for settlers. If Canada was unwilling or unable to fulfil her promise for a road, she had better abandon all idea of empire. As a propitiatory measure an agent, sent by the Dominion to arrange for an extension of time, offered to begin at once the line from Esquimalt to Nanaimo, as a continuation to the Island terminus of the Mainland road,

and also a wagon road, with telegraph to the Rocky mountains, guaranteeing to expend \$1,500,000 a year on the main line within the Pacific province as soon as the surveys were completed. British Columbia regarded the proposal as lacking authority, and thus gave time for its reconsideration and withdrawal.

Further disagreements occurred. The province carried its complaints to England, and threatened in 1878 to withdraw from the confederation and claim compensation for broken obligations. The home government became alarmed at the prospect of a separation which would probably lead to annexation by the United States, and to the loss of a Pacific outlet for British America and a connecting bond with the Orient. Its influence was accordingly exerted, and a change of ministry in Canada facilitated a conciliation, with the adoption of definite plans for completing the railway within a reasonable period.

In 1874 Premier Mackenzie had introduced a project for the Pacific railway by which the line was to be divided into four sections, the fourth extending over British Columbia. These might be subdivided, and any part constructed as a public work. Contractors were to receive a subsidy of \$10,000 per mile and 20,000 acres of land in alternate sections, with the privilege of owning and operating their sections subject to regulation by the government, which reserved the power to sell two-thirds of the land at prices agreed upon, and to purchase any portion of the railway for a sum not exceeding actual cost, with ten per cent added. Under such conditions only valuable sections would be undertaken by contractors, leaving the rest to the government. The other clauses were all objectionable, especially the re-purchase requirement, which was a serious obstacle to those who sought to develop their sections into paying properties. The result was that work progressed very slowly, even on the promising eastern sections. By June 1880 only 264 miles were in operation,

while the expenditures for surveys and construction stood at \$16,500,000.

At this juncture negotiations were concluded with a syndicate of English and foreign capitalists, to connect with the portion of railway then in construction by the government, and complete it by May 1, 1891, and the Yale-Kamloop section by 1885. The road was to be the property of the syndicate, including the existing parts after the eastern and central divisions were finished. They were to receive \$25,000,000 and 25,000,000 acres of land, subsidies afterward largely increased, the grant per mile rising from \$9,605 for the eastern section to \$15,384 for the furthest and most difficult. Payments and transfers were to be made for sections of not less than twenty miles; no competing lines to be built within twenty years. The length of the located line from Callander to Port Moody was 2,557 miles, and from Callander to Montreal 347 miles.

The 213 miles of road from Kamloop lake to Port Moody were awarded to A. Onderdonk, representing several American capitalists, for the sum of \$11,900,000, apart from the rails and fastenings, which were furnished by the Dominion for all but the most westerly eighty-five miles, begun only in 1880 under a special contract. Work henceforth continued without interruption, notwithstanding the difficulties encountered, especially between Emory and Boston bars, which raised the cost per mile as high as \$200,000, with an average of \$80,000. Thirteen tunnels occurred within nineteen miles, and elsewhere the roadway was literally hewn out of the rock. The bed was substantial throughout, having a width of twenty-two feet in cuttings and tunnels, and seventeen on embankments, and the track laid with sixty-pound steel rails. At times 7,000 men were employed at rates ranging upward from \$1.75 to \$2 a day for white laborers, with fair treatment and care, so that comparatively few accidents occurred.

At one time Bute inlet was favored as a terminus, but finally Port Moody on Burrard inlet was chosen, as requiring a shorter and easier line, and offering readier access to the valuable Fraser delta. This rendered also needless the island line to Victoria, with which a ferry would maintain communication. The extension of the line to Esquimalt by means of a costly bridging of the Rosario channel, as proposed in one agreement, would have proved too costly.

So energetically did the contractors proceed that the Canadian Pacific was completed in November 1885, five years in advance of the terms stipulated by Canada. The cost far exceeded early estimates, and the syndicate had to mortgage its enormous land grant, mostly in Europe, to raise funds. It opened an immense area of valuable soil for settlement, shortened the distance between Liverpool and Esquimalt, the naval station, from at least three months of steamer voyage to a fortnight's trip, and was a benefit to every portion of England's possessions on the north and south Pacific. The distance from Chinese and Japanese ports to Liverpool by this route was claimed to be a thousand miles nearer than by way of other Pacific railways, with cheaper port charges and rates. The road being virtually government property, rates will be regulated to suit the country rather than to earn dividends, and cheaper wages and material and practical freedom from debt permit lower rates and freight. Indeed, its competition is felt at San Francisco in winter as well as summer, for the seasons are said not to interfere with traffic. A steamship line was proposed from Victoria and China and Australia, and a cable to Japan.

The trunk railway gave rise to several branch projects, such as a line between Port Moody and New Westminster, incorporated in 1882; the New Westminster Southern, the Columbia and Kootenai, with a capital of \$5,000,000, and the Fraser River Railway companies, chartered in 1883. The third mentioned

was required to construct a line from Kootenai lake, through Selkirk range to the Columbia, near the mouth of Kootenai river, here to connect with the trunk line by means of steamboats. The Fraser river road proposed to run from the forty-ninth parallel, near Temiahmoo bay to New Westminster district, connecting with the trunk line.

In August 1883 a contract was made for the construction of the Esquimalt and Nanaimo railway and telegraph line, with a capital of \$3,000,000, and a subsidy of \$750,000 from the Dominion government, besides a liberal land grant, including minerals. The term of completion was limited to June 1887, under penalty of forfeiture of aid as well as a deposit of \$250,000. Among its prospects are an extension northward, and a connection, by way of Bute inlet, with the trunk line. The Dominion accepted from the province the grant and plant of the unfinished dry-dock at Esquimalt, repaying all the expenditures, together with a bonus of \$250,000. In 1883 a company prepared to open street railways at this point, and in Victoria.

During the Russian occupation Alaska held no communication with the outside world, except through the supply ships which arrived about once a year from the mother country, and an occasional visit from an English or American trading vessel. After the gold discovery some little intercourse was established with San Francisco, mainly in connection with the traffic in ice shipped to that city from the lakes near Sitka and Kodiak. At the time of the purchase there were only two roads in all the territory, one of which was merely a path cut for a short distance through the forest skirting the town of Sitka.

After the purchase a mail-service was established to Fort Wrangell and Sitka, but apart from this there were not for many years later any regular means of communication, either internal or external, for a ter-

ritory whose area far exceeded that of all the New England states. Thus a person having occasion to proceed, let us say from Sitka to Unalaska, a distance of 1,200 miles, must set forth by way of San Francisco, and return by the same route, a journey of nearly 8,000 miles. Of late facilities for travel have been somewhat improved, and with the increasing development of the resources of Alaska, especially her mines and salmon-fisheries, greater progress may be anticipated in this direction.

It might seem somewhat chimerical, the idea of a cosmopolitan railway passing through Alaska and Siberia, and uniting the systems of the old world and the new, had not yet more wonderful feats in railroad building already been accomplished. That this will some day be done there is no doubt, and thus the whole world become united by rail, with the exceptions of the short ferriages of Bering strait and the English channel, even Australia being thus practically reached by land over the isles of the Indian sea.



## CHAPTER XVI.

### COMMERCE—INTRODUCTORY.

TRADE AS A CIVILIZER—PRIVATE AND CORPORATE FUR-HUNTERS—MONOPOLIZATION OF THE EARTH—SPAIN'S RESTRICTIONS—YANKEE PEDDLERS ON THE CALIFORNIA COAST—SPANISH-AMERICAN INDEPENDENCE—SMUGGLING AND BUCCANEERING—MONOPOLY AND COÖPERATION, MORAL AND IMMORAL—CAUSES AND EFFECTS.

THE rise and growth of commerce on the Pacific coast signally illustrates its agency for stirring communities to intercourse and progress, which has been its characteristic from time immemorial. Here it stands revealed, however, with more of the aggressive concomitant of conquest than in the purer, peaceful form of civilizer as exhibited by the proto-typical colonizing Phoenicians, who displayed a desire for improvement, and set the example for securing new comforts and enjoyments. Trade gave the impulse to explore the African coast, leading to traffic with India, which was absorbed for a time by Venice and other mercantile powers. This roused the Portuguese to seek an ocean route round the dark continent. Thus was aroused the bent for adventures by sea, and Spain, in emulation of her neighbor, sent forth Columbus upon his great discovery. Following in his path, the French and English enlarged the area of the continent; Magellan found the occidental gate to the Indies; the Dutch stumbled upon Australia.

In Mexico, and southward, the precious metals led the way to a rapid diffusion of trade; but in the north, furs presented themselves as the one omnipotent magnet which drew traders to overrun the vast interiors, and open trails for the migration encouraged

by their discoveries and glowing reports. In this advance led the Gaul, although not conspicuous as a merchant, for he possessed the winning manners and adaptiveness which gained the sympathy of the savage rulers of the wilderness. In the west entered with similar tact and aims the Muscovite, after a century march across the wastes of Siberia, intent on sweeping a second continent. But a more energetic and practical race overreached them both.

With better applied strength and methods the English and Scotch overcame and subordinated their French predecessors, and then rushed onward in reckless rivalry, marked by the same trickery and outrages, the same retaliations and wars, which with solemn accusation they condemned on the part of their neighbors. So small appear to us our own evil deeds as compared with those of others! The Anglo-Saxon here took strides immense, crossed the continent, opened the great interior to the knowledge of the world, and planted the standards of his nationality at the western world's end. He checked the advance of the Russians: but, hampered by the monopolization of the East India company of the Pacific coast markets, an advantage was given to competitors from the United States, who, stepping in between the disputants, seized the bone of contention, and acquired in addition vast territorial rights. And all this was accomplished chiefly by trading-vessels, which gleaned the coast of its fur products, and realized large profits in the markets of the opposite oriental shore. Spain lacked enterprise to join in the struggle, but sought to prevent further encroachments on the domain claimed for herself by occupying California.

But the English were not abashed by one check. They massed their forces by land, consolidating rival interests, and by establishing forts and perfecting organization and trade methods, they were enabled to drive the Yankees from the field, and confine them, for a time, to the region south of the Oregon line, press-

ing so closely on the Russians, on the other side, as to obtain from them the lease of a choice fur region in Alaska.

It was proper that the fur trade should fall into the hands of large corporations. The individual trapper had, at one time, penetrated freely into the interior, seeking the good-will of the natives by gifts, conformation to savage customs, and by marriage with the daughters of the forest. This last practice was attended by so many desertions, however, when the close of the season rendered needless the wife, hostage, and beast of burden, that its efficacy abated, particularly as regards the many interlopers who clustered round the allied members. The cost as well as danger of these adventures, augmented, moreover, by the distance from the frontier settlements, were additional reasons for associated efforts. In Canada the recklessness of rival traders in dispensing fire-water and weapons, and in having recourse to bloody feuds for maintaining their assumed rights, induced a paternal government to surrender the field to a few special firms, which, freed from pressing competition, were supposed to behave more prudently, and to ensure to the crown a share of the revenue. Thus rose monopoly, by formal and obligatory means, as best fitted to overcome obstacles and enemies. For the safety of goods, or of members in charge of districts, forts were erected, some becoming, in time, way stations for travel, or nuclei for settlements.

The evil of exclusiveness had been guarded against by stipulations with the licensed companies that colonization should be fostered; but settlers were regarded by them as intruders, who would not only gradually undermine their territorial control, but seduce the savages from their allegiance, and deprive them of their trade profits. The Hudson's Bay company went so far in their opposition to colonization as to question the policy of their manager in opening farms and

mills for trade and supply purposes, as a deviation from the established policy, and one which might react upon them by instilling new notions of labor and independence into the minds alike of savage and civilized servants. The company yielded to the inevitable, however, and even offered to colonize British Columbia—a ruse intended to forestall interference, and enable them to direct the scanty fulfilment of the obligation to their own purposes. This was also the case in Alaska, in the hands of the Russian company. The informal companies southward, organized in the United States, held sway by virtue alone of their strength and advantages.

In the Spanish colonies the crown secured for itself all important monopolies. When the value of furs was brought to its notice, it assumed the sole right to deal therein, but managed so badly that the enterprise was surrendered to the Californians. They, again, proved too indolent to engage in the business, and so foreigners entered the field and reaped the profit. In this manner were maladministered most of Spain's colonial interests. She forbade all foreign intercourse with her American subjects, determined to hold in an iron grasp her possessions, and pocket all possible revenues. This selfish policy was carried to such an extreme as to cause wide privation and other injury. Trade was surrendered to privileged persons, who formed rings and engaged in many manipulations to sustain high prices. Duties were ruinously high, and these were swelled by internal taxes. Intercolonial traffic was likewise restricted within absurd limits, outlet for exports being given to the peninsula alone, which greatly discouraged agriculture and other industrial development. In addition came forced loans, base coinage, frequent wars with attendant raids on fleets and coast settlements, and clerical and official meddling to hamper commerce. The result was a wide-spread addition to smuggling, which in Califor-

nia, for instance, was begun by the fur-traders, and carried on openly during the ensuing revolutionary war, when supplies were cut off, leaving no other recourse than foreign markets. The Russians planted themselves in California territory, and bid defiance to the protests of the feeble government.

Thus the peculiar fur-trading vessel, with its miscellaneous cargo of blankets and notions, peddled its way along the coast, to the edification of both Indians and Mexicans, and assisted to drive from the seas the imposing galleon of Spain, whose cargo of spices and treasures had so long made it the prey for privateers and pirates, giving rise, indeed, to the infamous buccaneer hordes which terrorized in particular the West India waters.

With republican independence came greater freedom, and foreign vessels pouring in, markets were found which stimulated industries. On the east coast of Mexico numerous ports were opened in addition to Vera Cruz; yet the trade of the latter increased. In the hitherto languishing coast provinces, like California, general enrichment ensued from the incentive given by trading vessels to stock-raising, while the intercourse fostered enlightenment and more liberal ideas. It was not without its evil also in undermining many incipient manufactures by the ready supply of goods which the Mexican felt too indolent to prepare for himself.

New Mexico was similarly relieved by the opening of the caravan trade between Missouri and Santa Fé, so long suppressed by the Spanish authorities, notwithstanding the privation suffered by the inhabitants from the irregular communication with Chihuahua, and the immense cost of bringing goods from Vera Cruz by land. So far the wild tribes of the plains had exchanged their skins and furs at Santa Fé, but the enterprising American absorbed this traffic, and carried competition into the provinces south of the Rio Del Norte.

As custom-houses were the only reliable source of revenue for the government, and as expenses were heavy in such hot-beds of revolution as Mexico and Central America, duties were necessarily high. The result was the increase of smuggling to vaster proportions than ever, favored by disorders and civil wars, by the frequent change of administration, and by consequently plotting and corrupt officials, whose aim was almost exclusively bent on making the most of their opportunities. The extensive frontier by sea and land facilitated their operations, as it still does along the Arizona and Texan border, and in British Columbia as regards Alaska and the states southward.

The gain in general welfare and progress after the removal of restrictions and monopolies has been incalculable in the Spanish-American countries, notwithstanding the detracting influence of civil wars. British Columbia presents a similar picture of relief. The gold discovery caused the revocation of the grants and exclusive rights here enjoyed by the Hudson's Bay company. The few feeble settlements which had been the outgrowth of its half century occupation now awoke from their enforced lethargy, and revelled in prosperity under the stimulating operations of the mining era. Roads and trails were opened even to Peace river; steamboats broke the solitude of inland waters; and villages and way stations opened in all directions. Coal mines, fisheries, and forests are filling the gaps left by the declining gold fields, and the amount of trade stands at double the figure per capita ruling in the dominion in general.

The monopoly suffered not wholly by the restriction, for the increase in traffic brought compensation. With business established, and sustained by forts, steamers, and trained forces, it stood assured against competitors, so as to practically retain exclusive control in most branches of trade. The possession of similar means by the fur monopoly in Alaska gave it an incontestable advantage for other operations over



presuming rivals—in the manner of the stock-raiser, who, in acquiring certain water-rights, commands thereby most of the land depending thereupon.

The enterprising and speculative traits fostered by gold mining tended to associations for large undertakings, as quartz mining, ditch construction, the reclamation of land, the building of railways, and the like. For such concentration of labor, skill, and capital the American is conspicuous, notwithstanding his independence of character and general self-reliance. It is due to this adaptiveness of the proper means for the best results. In trade such combinations exhibit a less marked local prominence, although some of the banking establishments have been started with capital of no small magnitude.

The express firm of Wells, Fargo and company excites our admiration by the extent of its branches and wide-spread operations, represented as it is in every camp and settlement of any note throughout the Pacific coast, and with facilities that forbid all save local competition. This monopoly has never met with much condemnation, owing to its many excellencies; but in traffic and transportation the consolidation of stage, railways, and steamboat lines, while providing an improved system, has usually been at the expense of the public.

Rings and corners in goods have also been imposed upon the population, and roused no little indignation. To this feeling was due the grange movement, which at one time promised to assume wide proportions, and started a bank and mercantile agencies of its own, besides coöperative stores, warehouses, and even special lines of communication. The effect was to render the opposition more pliable, and consequently to detract from the growth of the combination. It survives nevertheless in sufficient force to hold middlemen in salutary check, and perform much good, directly and indirectly.

A similar union was formed by the churchmen in Utah to counteract the gentile encroachment on Mormon earnings. The Zion Coöperative Mercantile Institute naturally secured the patronage of all loyal saints and grew rapidly, with branches in the leading towns, and with independent coöperative stores in most villages, which patronized the mother establishment. Certain advantages remained, however, with outside firms, although their demands were naturally lessened, so that little more than one third of the total imports were direct from Zion, whose sales exceeded \$4,000,000 in 1883, the goods being distributed among two-thirds of the settlers.

Trade monopolies are, as is generally admitted, desirable within certain limits, and the blow aimed at them by the labor agitation in California in 1877-80, and by the new state constitution influenced thereby, was deplored by many, driving away, as it did, much capital and enterprise. The check was fortunately brief, owing to the vast resources of that fertile state. The fur companies, so selfish in many respects, adopted for their own safety and success what seemed philanthropic measures. Their advance was marked by daring explorations, by opening the path for migration, and by planting nuclei for colonization. Commerce, agriculture, and other industries followed in their footsteps, and laid the foundations for flourishing states. Subsequently in Utah trade broke in upon a people's seclusion to stimulate with profitable intercourse. The Mormons, indeed, entered into the spirit of progress by following upon the track of migration, and establishing trading-posts in different directions, contributing at the same time to the strength of their sect by extending its dominion over Nevada, and adding valuable colonial footholds in Wyoming and other territories.

The wild Indians—those of them who have survived the ordeal—gained decided benefits from commercial intercourse. It gave an incentive to hunting,

fishing, and other pursuits, with attendant profits, which permitted them to add to their bodily comforts in the shape of blankets and clothing, and to elevate their taste and habits by stimulating their vanity with baubles and other ornamental if not always useful articles. The superior dress and life of the traders had also their effect, as well as the training imparted by subsequent settlers in the various industries for which they engaged native aid. The fruit is manifest, especially in the northwest, among the independent natives who work as laborers or as farmers, and among the tribes gathered on the reservations. In Alaska the government has interfered to still further assure the welfare of native employés of the fur company, by assigning to them stipulated wages in money, food, and fuel. At one time the Aleuts, among others, were forcibly impressed for hunting services, and kept as serfs in a condition of extreme poverty and hardship. Now, with acquired independence, many of their villages have become attractive models for imitation among less fortunate bands.

Southward the blessings of intercourse have been counteracted in a greater degree by the concomitant evils of drinking and other insidious vices, under which the Indians, particularly those not gathered on reservations, have sunk into a degradation leading to rapid extinction. Their failure to profit better by the elevating opportunities of civilizing intercourse lay in their weak and untutored character.

Most to be pitied were the half-civilized inhabitants of Mexico and Central America, whose advanced industries and commerce were destroyed under a cruel system of enslavement and restriction. Trade had here attained a high development since time immemorial, with celebrated fairs attended by buyers from afar, with protective guilds, special tribunals, and privileges, which lifted the merchant class largely to the condition of nobles. The Tlatelulco body

formed a powerful corporation, under whose auspices Aztec caravans penetrated with their goods to distant provinces, even to Nicaragua and beyond, acting also as spies for their emperor, and as forerunners of conquest. During colonial times all trade beyond the contribution to local markets passed from their hands, and so it remains to-day. The more vivacious mestizos keep the shops, and mercantile traffic is usurped chiefly by foreigners.

The agitation which led to the discovery of America imparted a double impulse to commerce through the revelation of new markets and resources in America, attended by a large migratory traffic, and through the opening of easier routes to the Indies, whereby the entire Orient and the Australasias were in due time made tributary to European dealers. It was a revival of trade, and especially of travelling on a scale hitherto undreamed of; yet the culminating point was not reached until three centuries and a half later, when the gold discovery in California created a commotion unparalleled for suddenness, volume, and diffusion.

The disturbed centers of the world were prepared for migration, and the means for communication had just attained the grade of advancement permitting such a step. Ships poured in by the hundreds from every quarter of the globe; steamship lines swelled the throng; steamboats penetrated up rivers, breaking the primeval silence; mule-trains wound their way over plains and wood-clad hills, and centers for trade sprang up along the valleys. San Francisco grew within a few months from a quiet village to be the metropolis of the coast, and the new connecting link between Australia, China, and the east.

The entire coast shared in the new awakening. Panamá, once the bustling entrepôt for the southwest trade of America, had declined with the diminishing treasures of Peru, and under piratical onslaught, but

now revived with the steamer traffic between the east and the new El Dorado, which in time led to the building of a railway, and to a proposed interoceanic canal. Central America had ever languished, first under a crushing policy of exclusion, and then under civil disorders. The transit route was opened in the fifties across Nicaragua and other points, and steamers called on their way to and from Panamá, offering an outlet for products, which soon covered several districts with plantations of coffee, sugar, indigo, and other staples, and brought wide prosperity, notably to Salvador. Mexico gained in a similar manner, many moving across the continent on her soil; she was, moreover, aided indirectly by California in building up the intermediate country.

The importance of California as a market for the eastern states hastened the completion of the transcontinental railways, and the occupation of the territories. Thus Arizona and New Mexico received their special iron roads, which sent branches into the Mexican states. Utah profited foremost from the overland traffic, and Oregon and British Columbia as a source for supplies, which stimulated their quiet settlers to greater activity. The lumber and coal of Washington then first began to be utilized for export, and responded by building up a number of flourishing towns on Puget sound. Even Alaska contributed ice and oils, and disclosed fishing banks for the general use of the coast.

Several places in the northwest aspire of late to international entrepôt advantages under the railway competition here started, and have diverted much trade from the California centre, and become distributing points for the growing regions in their vicinity. Thus Idaho stands relieved from the isolation imposed by remoteness from the coast and by difficult roads, and the high prices of the early days have fallen to rates commensurate with the present struggles of bread-winners. And so with Montana, for whose

trade Oregon competed no less than Chicago and St Louis, the latter being favored by river navigation.

The revival in trade brought about by the gold discoveries in California was stamped by an enterprising and speculative spirit, so far kept within very moderate bounds; but the general and sudden affluence, the magnified expectations of all participants, and the gambling mania connected with mining, the distance from sources of supply and consequent inapplicability of ordinary methods and calculations, all contributed to engender a general recklessness in business, and lavish extravagance in all the habits of life. Wild inflations terminated in panics, with the sacrifice of goods and financial disaster, and for years fluctuations tossed to and fro the quickly succeeding crop of commercial firms, weeding out the weaker element, and finally reaching the calmer waters regulated by experience and superior business methods.

The frequent mining rushes, developments, and change in traffic continued, nevertheless, to impart many a shock. The nature of the goods sold underwent many variations. The beads and blankets, cotton fabrics and ribbons, cutlery and notions required during the fur-trading and colonial times, had yielded largely to a demand for provisions, and to luxuries in consonance with an abundance of wealth. In due time came families to lower the predominance of a youthful community of males, and a new range of goods began to find a market. Agriculture gradually rose to prominence, and displaced flour, butter, meat, and other food staples. Imports were proportionately reduced, and exports increased, wheat taking the place of ballast, to the abatement of freight expenditures. The hide, tallow, and fur shipments of earlier days were supplemented by grain and flour, which soon surpassed in value the hitherto all-conspicuous bullion. Then came lumber, coal, explosives, machinery, fruit, fish, and wine, which called attention to the productiveness of the coast.



The war for the union had its effect in diminishing traffic with the eastern states, and giving an advantage to foreign dealers, as well as to local producers along the coast and in the interior. The transcontinental railways tended to restore to the eastern states the preference over foreign markets, as well as to disarrange a long existing condition of affairs by sapping the foundation of many industries, and by withdrawing from the coast entrepôts much of their business, and distributing it directly among towns along their route. The parallel roads south and north, including the Canadian, built up in the same manner their termini to some extent at the expense of San Francisco, diverting by competition much freight from the more direct lines. Change of staples also affected the seasons for trade. Mining implied an early winter demand, while agriculture made business brisk in the spring and autumn. The exploitation of silver mines stirred anew in Nevada and California the lurking bent for gambling in all directions, keeping large classes impoverished by assessments and stock panics, and infected even commercial morality, so that many a bank as well as a host of mercantile firms startled the community with their ruinous defalcations.

The speculative spirit is sustained to a great extent by the inevitable conditions of trade. In colonial times the lack of coin compelled merchants to resort to a system of barter, attended by prolonged credit. To trappers and native tribes were accorded advances of goods and provisions for the hunting expeditions on which depended their gains. On the coast, trading-vessels had to wait their time for the collection of hides, tallow, and other cargo. The fur companies preferred barter and payment in goods in order to retain the custom of employés and Indians, and in Utah barter prevailed even in recent times to such an extent that agricultural products were accepted at the ticket office of the theatre. Immediately after the gold discovery in California, Colorado, and elsewhere,

commercial firms sought to facilitate circulation by private coinage, until the government sent relief.

The credit system continues to be extensive in placer regions, the trader being dependent on the season when rain shall enable the miner to realize his several months of labor, or on the success of the prospector in finding new deposits. Thus one indulgence involves another, bringing about an apparently hazardous state of affairs, from which shrank many a store and bank at different times, to succumb at length to the pressure.

The costly methods of farming with irrigation demanded throughout the great basin, and on the east slope of the Rocky mountains, and the cheaper production in more favored countries adjacent to ocean routes, will ever hamper such efforts. Hence the reliance here is chiefly upon mining and the self-moving products of stock-raising, until manufacturing shall come to their aid, together with increased railway competition.

The coast provinces have lost some of their control over the regions eastward since railways connected them with the Atlantic sources of supply; but these same lines have augmented trade with Spanish-America, Australia, and the Orient, and brought other advantages. Tea, sugar, rice, silks, fibres, coffee, and similar articles are gaining in bulk to such extent that the northern railway lines are entering into competition for their conveyance to Europe and New England. The lumber and fish of the northwest, the grain, flour, fruit, and wine of the tracts to the south, and the cacao, coffee, indigo, spices, and dyes of the tropical regions, which so far form the prominent articles for export, aside from the precious metals, are backed by many more resources; and still to follow are manufactures, with special development among the Anglo-Saxon, which will render tributary the markets encircling the Pacific.





*Joseph Failing*

## CHAPTER XVII.

### LIFE OF JOSIAH FAILING.

HIS ANCESTRY AND PARENTAGE—THEIR ENVIRONMENT AND CHARACTERISTICS  
—HIS EDUCATION—INDUSTRIAL TRAINING—BUSINESS LIFE IN THE EAST  
—HIS IMMIGRATION TO OREGON—HIS CAREER IN BUSINESS AND BENEVO-  
LENCE—TRAITS OF A MAN GRAND IN HIS GOODNESS—HIS FAMILY—  
BRIEF STUDY OF HIS SON HENRY AND OTHERS.

THE ancestors of Josiah Failing on his father's side were citizens of the Palatinate in Germany, and plain, sturdy people. They were protestants, and being persecuted on account of their religion, rather than yield they preferred to sacrifice everything else. When offered the alternative of a wilderness and freedom of conscience they accepted it. In the latter part of the seventeenth century and beginning of the eighteenth the wars in Europe were waged largely on religious grounds. The lower Palatinate was for a long period the scene of the ravages incident to such strife, and finally the remnant of the people adhering to the protestant faith were compelled to flee to England for refuge. Queen Anne, upon the recommendation of her board of trade, granted the petition of Joshua Kockenthal and fifty-one of his co-religionists and furnished vessels to transport them to the American colonies. These religious refugees arrived in New York in 1708, having been naturalized in England. Most of them located themselves in the valley of the Mohawk, and subsequently acquired from the crown the lands upon which they settled. Others followed in 1710 to the number of three thousand.

Josiah Failing was the second son of Henry Jacob Failing, of Montgomery county, New York, who in 1804 married Mary Chapman, born in Bradford, Wiltshire, England. Josiah was born in the town of Canajoharie in Montgomery county. His wife, Henrietta Legge Ellison, the daughter of Henry Ellison of York, England, and Mary Beek of New York city, was born in Charleston, South Carolina. Soon after her birth her father died, and the widow, with her infant daughter, returned to her parents in New York city. This daughter was there married to Josiah Failing July 15, 1828.

The name of Failing is a common one at the present day in Montgomery and the neighboring counties. The village on the north side of the Mohawk river, opposite Canajoharie, is called Palatine Bridge, from the township so called in memory of the European home of the early settlers. The family is referred to creditably at various points in the *Broadhead Papers*, notably as participants in the battle of Fort Herkimer, the names of three Failings appearing on the roster of the Palatine battalion, which did good service in this battle. Further notice of the family occurs in Sim's *Frontiersmen of New York*.

Henry J. Failing—or Jacob Failing, as he was ordinarily called—was a farmer, and had a trading post with the settlers. From his father he inherited three farms, one of which, situated on the Mohawk, was the birthplace of Josiah; the other two were in the neighborhood, one of which is the present site of St Johnsville. One of his farms he gave to a brother who had been carried off by the Indians when quite young, but who was rescued by Sir William Johnston and restored to his family after many years of captivity. This act may be noted as somewhat characteristic of Josiah Failing's father and of his ancestry generally. They were people of generous instincts, freehearted and liberal, and hence were not likely to be suspicious or mistrustful of others. They



observed only one part of the maxim, never to cheat or allow yourself to be cheated. On one occasion Jacob Failing's partner in the trading post went to Albany, carrying a large sum of money with which to pay the bills of the firm and buy goods, and was never heard of afterward. But they were men in whom honesty was ingrained and instinctive, and no suffering that they might undergo at the hands of others through indirection or imposition could impair their reverence of integrity and their scrupulous practice of this virtue. They were industrious and intelligent, independent and self-reliant, and held debt in abhorrence. If any fault is to be found with them in their way of life it is that they seemed to have had no large ambitions.

If they were less thrifty than the Knickerbockers, this can be explained partially by reference to their surroundings and opportunities in the quiet Mohawk valley, and to that kindliness of spirit which, like lending, dulls the edge of husbandry. But they managed to have an abundance of good things, which they knew how to enjoy, for they suffered the minimum from those pains and worriments which are begotten of acquisitiveness. Their nearest market for the products of their farms and orchards—of which some of the latter stand much as they were to this day—was Albany and Schenectady, to which places they journeyed once a year in sleighs or wagons in long trains. Those were great occasions, and much enjoyed, we may be sure.

For two generations the Palatine settlement on the Mohawk was almost exclusively German. The Lutheran church was the only religious teacher, and German the only language used in the schools. The mother tongue was fast deteriorating among them, however, owing to the isolation of the immigrants, and besides, it placed them at such disadvantage in the midst of English speaking people that Jacob Failing, realizing this, insisted that nothing but

English should be spoken in his household. English had not yet become the language of the common schools, and German was still the language in everyday use in the settlement. The building of the Erie canal, that grand act of internal development, brought a new and different life into the quiet, restful community. The world was thereby brought to their doors. Aggressive people came in with progressive ideas. The country was awakened and English began to be taught in the schools and spoken on the streets and at home. The only relic of the German vernacular in Jacob Failing's speech was a slight difficulty in managing his t's and his d's. This good, easy man of inflexible honesty and pure charity, died at about middle age in a singular way; he was stung on the top of the head by a yellow-jacket, the poison of which proved fatal.

He left a widow with seven children, and a fair estate in land and houses, though had he cared more for money, had he known how to economize as the mode was in New England, or in New York among the Dutch, or had he been able to say no to his neighbors who needed his signature on notes to strengthen and ultimately to replace theirs, he could have left a very considerable estate in money and realty. His wife was one of the few English persons in the Palatine settlement. She came there with her parents on a visit to her sister, who had married Thomas Day in England, and with her husband had come to live in this neighborhood.

There she met and married Jacob Failing. She was a woman of sterling character. In her likeness are seen unmistakable signs of strong sense and uncompromising will. Her presence, while anything but unkind or severe, compelled respect and consideration. No description of her is so apt or so suggestive as that contained in a word, now gone out of use, but which was in vogue during her time, "gentlewoman," stately and dignified, yet sympathetic and

affable. Obedience to her in the household was absolute, though never compelled. Compliance with her wishes on the part of her children was unhesitating and seemed a matter of course. Her influence over them was such that her discipline was not only never questioned, but to her children it would have seemed an unnatural thing not to obey. She was a woman of deep religious sentiment, a baptist in creed, and fashioned her life upon the teachings of scripture. Her views she impressed deeply upon her children. She was devoted to them, and being of such positive character and possessing culture much beyond her day and locality, it is not singular that a knowledge of her individuality is well preserved among her descendants. In order to maintain her family and give them such opportunities of study as the neighborhood afforded, and also to keep up a household the hospitality of which a long list of acquaintances and friends always found themselves at liberty to command, she was compelled to dispose of land piece by piece as the exigency arose. When she died in her eighty-eighth year, the farm that remained she willed to her only surviving daughter, Sarah Rapp. Of late years it fell in the line of railroad development, and was traversed by the West Shore road, which purchased it rather than foot the bill for damages. Mrs Failing retained her mental and physical force to a very late day in life. Such was her vitality that at eighty-two her handwriting was admirable for its firmness and regularity. From her, to her son Josiah, the transition is easy and natural, for though he was not unlike his father in some respects, his more distinctive characteristics were those of his mother.

Josiah Failing, whose character and life on the Pacific coast are the subject of this study, with special reference to his identification with the history of Portland and the northwest, was born July 9, 1806, in the environment already described. Canajoharie was a staid restful town of healthful and pic-

turesque location, the chief functionaries of which were the dominie, the physician, the schoolmaster, and the magistrate. The latter's labor consisted mainly in maintaining a dignity of demeanor in accord with the nominal seriousness of his functions. But, withal, it was a fair nursery of manhood, solid, original, and true, especially if the domestic influences were such as characterized the household of Jacob and Mary Failing.

In an atmosphere of peace and good-will to all, direct straightforward behavior, scrupulous sense of moral and religious obligation, labor respected, independence and self-reliant pride to which aid is distasteful, but which delights in all that is charitable and for the elevation of man—in such an atmosphere did Josiah Failing pass his days until he was fifteen years of age. He could hardly go wrong afterward, and what there was good in him must have been expanded and confirmed by his home life. His early years were not eventful. He was faithful in school, and made the most of the best opportunities available in acquiring an education. The lessons that were taught he mastered thoroughly, and constantly built upon this foundation ever afterward by thoughtful perusal of good books, the chief of which was his bible, and by association with and friction among men—and there can be no school of wider curriculum or more useful philosophy than this.

And the farm itself as a means of preliminary education has its points of excellence. I should not be surprised to know that it has turned out more graduates sound in mind and body than any other seminary. At any rate it contributes wonderfully to the brain as well as to the brawn of our society.

In his sixteenth year, feeling that it was his duty to shift for himself and become helpful to others as soon as he was able, he obtained his mother's consent to go to Albany and learn the paper-stainer's trade, the art of which at the time consisted in impressing

designs upon wall-paper by hand with blocks ; it was what his hands found to do and he did it. He completed his apprenticeship in New York city in 1824, and worked at the trade there until his marriage. Then, his health not having been good while engaged in paper-staining, he went into the draying business, and subsequently for many years held the office of city superintendent of carts. Of the draymaster's association he was secretary. His means were limited, but he continued to support his family in comfort, and to educate his children. This was his chief care. As their number increased, his anxiety for their welfare caused him to think much of ways and means to better his financial condition. Early in the thirties he became greatly interested in Oregon, and was on the point at one time of joining a company to emigrate to the Pacific coast ; but he was a man of great caution, and the responsibility of his family, together with the uncertainty of the venture, deterred him. The idea never left his mind, influenced largely by letters from the early missionaries. When however years afterward the undertaking had become more feasible, though it was still a bold step for him to take situated as he was, he did not decide upon it fully until it had been talked over among the members of the family for perhaps twelve months. Thus, though he might be so deliberate as to be counted slow, he never took a leap in the dark. He canvassed the matter thoroughly in every detail first, but having once made up his mind he never faltered. He was always a devout believer in providence, but he never trusted anything to chance. His life in New York city, meanwhile, was not marked by any notable event. It was one of great activity, nevertheless, from 1824 to 1851. First of all he discharged his duty conscientiously to those dependent upon him. And it was no light task to provide comfortably for and rear with good educational facilities a family which had increased to six children. His business

required the closest attention, yet his charity which began at home did not end there. In the baptist church, of which he was a deacon and leading spirit, he always found time to take an active part in promoting the cause of religion and morals, and to do the greatest good in many practical ways, such as are always plain to him who will see them. In relieving the needy and comforting those in distress he was always a ready and cheerful helper. His interest in the public schools was hearty and earnest, and he was an active friend of this bulwark of sound morality and good government. But the sphere of his activity in this respect was not so wide or pronounced as it became later in a pioneer field, where he earned the title of father of the schools. Not that he was in accord with the theory of public school education, of which demagogues of the present day make capital, or which unthinking people accept because it would be unpopular not to do so. But of this in its order.

On the 15th of April 1851 Josiah Failing, accompanied by his sons, Henry and John W. Failing, sailed from New York city, in no wise on a speculation, but to thoroughly examine the Oregon country, which he had studied as carefully as he could at a distance, and which he was satisfied should be the future home of the family. They arrived in Portland on the 9th of June following, without incident worthy of note, unless it be the view they obtained en route of the city of San Francisco, which was in ruins after the terrible fire of that year. Had that cosmopolitan scene of excitement and speculative fever looked its best, however, I apprehend that it would have held out no attractions for Josiah Failing. A feeling of abandon and unrest seemed manifest there; it appeared to him that instability and homelessness characterized the community. And why not? Few expected to live there longer than would be necessary to gather some gold, when every man would return to his home. It was truly in many respects a demor-



alized city, given over to gambling and the concomitants of that mania. A wonderful transformation has since taken place, one that almost transcends description, but San Francisco is still haunted by the old spirit, and it is not yet the truly American city of homes and domestic ties that let us hope it may some time become. But Josiah Failing had started for Portland; he had done so advisedly, and it would have been difficult to turn him aside from his purpose with any temptation, had such existed.

In 1851 Portland had a population of three or four hundred people who had settled themselves near the river. Back of the few small buildings which had been hastily thrown up stood a virgin forest. In the one or two streets laid out there were still the stumps of great fir-trees. In the immediate outlook there was as little tonic as in the autumn rains beyond which the sun was hidden; but there was a future for the country, a great and solid future. They could see it. They had the gift of patience to wait for it, and do what could be done in the mean time. In this decision of theirs much was involved, both for Oregon and themselves. It is true that as the world goes no man is indispensable to it; yet there are those who have so filled a place that we wonder whether things could be as they are had they not lived. It is held that the vacuum caused by the taking off of one is readily filled by another; yet if we be asked who that other is, we cannot always name him. The power that was vital in him does not perish. In the economy of spiritual as well as of material nature there is a conservation of force by redistribution. But individuality is never reproduced. There is a barrier set up against uniformity, a provision for originality and adaptability. It is the privilege and province of this work, *The Chronicles of the Builders*, to record the life and deeds of those who have won so distinctive a place as to be without any living counterpart.

The stock of goods with which Josiah and Henry Failing were to begin business did not arrive until October. While waiting for their arrival they occupied themselves in building a store for their reception, twenty-two feet front and fifty feet deep, on the lot on the southwest corner of Front and Oak streets. This was replaced by a brick building in 1859, and the original wooden structure was removed to the lot in the rear, where it long stood as a memorial of 1851. In the first built structure they started with a miscellaneous stock adapted to the somewhat restricted requirements of the pioneers, who were at first exclusively farmers. Later, as the wants of their customers became more varied and extensive, their stock grew in volume and variety to meet their demands. The handful of merchants who started in business at Portland during 1851 have nearly all either passed away or engaged in other occupations. Only one of them, C. H. Lewis, continues now exclusively in this traffic. The experience of a pioneer merchant is not, as a rule, much varied, and his history as such is largely contained in the annals of his environment, yet to overlook his factorship in its influence for good or evil, materially and socially, would be to ignore one of the essential aims of historical inquiry. In that work of which this is a companion-piece, and from which it derives its origin, the general condition of men and affairs in Oregon at the time referred to is fully discussed.

Father and son did not start out auspiciously in traffic. A succession of disasters befell them in 1852. Three vessels, the barks *Mendora* and *J. C. Merithew*, and the brig *Vandalia*, the latter with all her crew, went down on the bar of the Columbia river in one night. In order to divide their risk as much as possible, for insurance could not be had at that time, they had goods in each of these vessels. Their loss by this wreckage was therefore total and severe. At the end of the first seven or eight years

they were but little in advance of the point at which they started, but they kept their heads above water, and while struggling against adversity they were acquiring strength and laying a foundation deep and broad. Their connections were with New York, and they imported a great many goods for San Francisco. Henry Failing shared in the management and control with his father. They did a strictly legitimate business, and avoided everything like speculation, taking only such risks as were inevitable in their line of trade. They were conservative and prudent, but they did not lack either in activity or enterprise; in every respect they conducted their affairs upon the highest business principles. They employed no drummers. They resorted to none of those artifices which inflate traffic by proportionately increasing the expense account. They started out with the determination not to incur any obligations they could not meet with certainty. Father and son planted themselves in the confidence of the people, and as the country grew they grew with it. Whoever traded with them once traded with them ever afterward, and in this was their advertisement. Their advancement in business was reciprocal with the expansion of the country with which they were identified. The measure of its development was the measure of theirs, and vice versa.

Their business was from the beginning confined almost entirely to supplying up-country merchants. As each of these enlarged his business, theirs was enlarged; and whenever new stores were established in the interior they secured their share of the custom. In the spring of 1864 Josiah Failing withdrew, with a comfortable competency. From that time until his death, on the 14th day of August 1877, he had ample leisure to look after those interests which had always been dear to him—chiefly the affairs of the church and the public schools—and he made good use of his time. This was, perhaps, the happiest sea-

son of his long and active career, for the dominating idea of his life was to do good. While in business he was attentive to its requirements, methodical and thorough in the discharge of his duties as a merchant, but the store did not swallow him up and separate him from the world. There was never a time when he was not a leader, and recognized as the spirit and inspiration of practical beneficence in Portland. The baptist church remembers him as one of the most active builders and liberal contributors to its well-being for a quarter of a century. He was devotedly attached to his own denomination, but he entertained a broad charity for the people who disagreed with him. He was not demonstrative in his religion. He was somewhat like the episcopal clergyman who, falling into a crowd of ministers of other denominations who regarded his creed as only the pomp and vanity of the world, and being asked by one of them if there was any religion in the episcopal church, answered, "None to speak of." Josiah Failing was not ostentatious in his religion; his faith was rather manifested in his acts. He was not much given to talking in meeting.

His was the first family of baptists that came to live in Portland, and the church may be said to have grown up about him as a nucleus. He was active and earnest in securing the site of the baptist church on the corner of Alder and Fourth streets, which was originally a gift of the town proprietors, but it was occupied by persons whom it took strong and persistent efforts to eject. He was a trustee of the church, which in his case was not a nominal office, and he discharged all its duties, implied as well as expressed, conscientiously and as a labor of love. He never could be idle. He did not wait to be called, and if there was something that no one else would do he was the man for it. The cry of distress never reached his ears unheeded or found him unprepared. The immigrants of 1852 will never forget his activ-

ity in their behalf, when stricken with disease and threatened with starvation beyond the mountains, he worked for their relief as earnestly and as tenderly as though they had been members of his own family. His influence was felt everywhere in the young city in shaping its affairs for the better. It would be difficult to realize the scope and durability of the moral force put forth by him in the formation of its society. He was interested and took part in everything calculated to encourage and promote the general welfare.

It was in a great measure due to his exertions, persuasion, and influence that the first school district in Portland was organized and a tax levied to build a schoolhouse. He had always been an advocate of public school education, but his position on this subject has been of late years misunderstood and misrepresented, and sentiments ascribed to him which he did not entertain. He was not the father of the present high pressure high school system. He deprecated the teaching of abstruse mathematics, the languages and sciences, at the public expense. His idea was that it is the duty of the public to do all it can to make good and useful citizens of the rising generation, and that it should make thorough provision for teaching the ordinary branches of an English education. He held, and very logically, that the erection of high schools and free colleges such as the free academy of New York city, or, as it is now called, the college of the city of New York, is calculated to educate at the expense of the public, a sort of aristocracy that is not in consonance with our institutions, and that where parents are able to maintain their children in idleness long enough to receive a high course of tuition, they are, in nine cases out of ten, able to give them this education at their own expense; that the majority of those who receive the benefits of such a curriculum will receive it even if the public does not provide it; that the scheme fails in its object, for instead of conferring a benefit upon the children of poor parents, it

makes only a free opening to those who could pay for it; that it taxes the many for the few. He was very willing that the few should be taxed for the benefit of the many; that is, that the capital and wealth of the country should contribute of its means for the benefit of the country at large, but that capital and wealth should be educated at the expense of the masses seemed to him wrong. Such were his views when he possessed small means, and were not changed when he possessed larger means. As early as 1847, when the question was before the public in New York city regarding the free academy, he resided there and most of his children were in school. If he had consulted his own interests he would have voted for the measure, but in his mind there was a principle involved and he voted "no." The proposition was carried by a large majority, nevertheless, for the people could not realize that education cannot do everything for everybody. Mr Failing, in whose memory one of the public schools of Portland is named, was for many years school director, and he was a director who directed. It was not known at any school when Mr Failing was coming; he just dropped in. His visits were frequent and he had his hands full looking after the discipline of his charge, and settling vexatious issues between parents and teachers. His known justice and impartiality, and the respect which his character inspired, made him a most acceptable and successful arbiter. His decisions were always wise, kind, and final.

In politics Mr Failing started out an ardent whig, but a few years after he came to Oregon his party became practically dissolved. His sympathies were with the republican party, of which he became a working member as soon as it was organized. In 1853 he was elected mayor of Portland on the citizens' or non-partisan ticket. He was a delegate to the convention which nominated Lincoln in 1864, and to that which named Grant four years later. He was



a federalist in his political views as distinguished from the advocates of state rights. He believed in a protective tariff, and he considered democracy free trade. He was not an abolitionist in the sense of laying violent hands upon an institution recognized by the constitution of the United States, but what his feelings were on the subject may be fairly determined by his vote in 1857, when three questions were submitted to the people of Oregon territory: First, the adoption of the constitution; second, whether Oregon should be admitted as a free or slave state; and third, whether negroes, other than those already residents, should be allowed to live in the state. He voted against the constitution, believing that the admission of Oregon as a state might wisely be postponed until further accession to its population; he was against slavery and in favor of free negroes. Mr Failing's politics was a matter first of reason and then of faith, and he strove to promote his party's ends because he believed them to be for the best. Good government was his criterion. He was not offensive in his partisanship, and some of his best friends were radically opposed to him in politics. He was not a man of sharp angles, and he never aroused an antagonist needlessly. He would not seek to establish his individuality for the sake of differing from his neighbors, nor would he insist on a point merely to get the best of the argument. But he was not the man that would yield a principle; sham or pretense in any form he despised. His position was firm and well defined, and there was no sort of blandishment or intimidation that could turn him. Yet was he so considerate and gentle that differ with him as you might he never seemed unkind. He had little of what is termed policy, but few men ever had better self-control. If one of his sons was a little hard-headed or persistent in the advocacy of some idea, he would remind him, "My son, molasses catches more flies than vinegar in this world." He was a fair judge of human

nature, and possessed adaptability without cunning. If he started out to do something that he thought good and useful, which motive was the beginning and end of his ambition, he generally carried it through. It was due to his personal influence and persistent effort that the common council of Portland in 1856 was at last induced to order four cemented cisterns dug at regular intervals on First street from Oak to Yamhill, so that a supply of water for the engines could be depended upon in case of fire. He had persistently urged this for about three years. One of the original town proprietors, a wealthy man, was indignant, and said it was a piece of tomfoolery done to please old man Failing. Nevertheless the utility of the cisterns was so thoroughly demonstrated that many more were dug. During the great fires of 1872-3, by which time the fire department had become well organized, though there was a limited supply of water, the engines stood over those cisterns all day.

Josiah Failing was truly a man of solid and noble character. Unconsciously a philanthropist, the luxury of his life was to do good. His aspirations were less material than those of most business men. His energies were never directed wholly to personal aggrandisement. Reserving only an unselfish share of his labor and his income for himself, the rest was distributed among others where, in his judgment, it would do the most good. Tender-hearted and approachable, a sympathetic listener and a sage counsellor, he heard everybody's story; no one hesitated to go to him with his trouble; nor did he withhold prudent counsel or appropriate aid. None had cause to regret a conference with him, for his judgment of men and things was most excellent. If he lacked force at any point it was attributable to the absence of aggressiveness in his character, to his habitual caution, or to his extreme conservatism; he was not sanguine in temperament, and he inherited a horror of debt. His idea was not to judge by appearances,





Henry Failing

but to look under the surface. He was wont to say : "Now, just think of it a little ; now just look at it as it really is." A superficial argument never caught him. He excelled in getting at the true inwardness of the subject on hand. If he had been a lawyer he would not have been satisfied to quote decisions ; he would have rather depended upon the reason for the law. He did not trouble himself much beyond the main point of a question, and this he grasped directly. He stripped the subject down to its bones, going through dress and flesh. If he had had the opportunities of culture which he gave to his sons, his intellectuality would have made him a man of marked power in literature, law, statesmanship, or theology, certainly so if his beneficent promptings were not such as to handicap personal ambition. He possessed great dignity of carriage and address, but it was natural and far removed from affectation or pomposity. He was cordial in manner, but no one would think of accosting him with familiarity. Full of good-humor and fond of a joke he was still dignified and stately. Slang and nicknames were an abomination to him. His sons were Henry, John, and Edward, never Harry, Jack, or Ed. His favorite study was history, and his reading went far beyond the range of his schooling. What he read he digested. He was not bookish, however, but practical in everything, a handy man who could make or mend, with a turn for invention and a decided mechanical ingenuity. His face is one that repays study, the massive forehead, the earnest eyes set well back under the brows, which are prominently developed, the large nose, slightly *retroussé*—these show him to be a man of rugged intellectual power, contemplative habits, and inflexible will. Considered together with the ample mouth and chin, firm and kind, the upper features are softened, and the general effect is a picture of benevolence. Five feet eleven inches in height, and weighing about 220 pounds, quite erect,

save a slight stoop of the broad shoulders as he grew older, moving with slow and even tread, plain but decorous in dress, wearing always the best watch in Portland made to his order and encased in silver for use and not for show, going the rounds of business and charity, he was a figure that must have compelled regard and admiration; a grand, good man; a Christian gentleman, who loved his fellow-beings and did all he could for them.

Of Mrs Josiah Failing it need only be said that her life and her husband's were the supplement and the complement of each other, forming that perfect union which is ideal wedlock. She was a woman of strong character, affectionate and loyal disposition, and remarkable personal beauty. Devoted first of all to her husband and children, her home was her world, though without noise or bustle she discharged her full duty to society, until she was called away in 1883.

Henry Failing, the eldest son of these worthy persons, was born in New York, January 17, 1834. Regarding the home influences under which he grew up little need be said further. At the age of twelve years he completed the public school curriculum, having finished the normal school course of the same system by attending school at night. He was precocious and his place was always at the head of his class. Nearly all of his classmates grew up and held fair positions, and several of them have won laurels. He manifested special aptitude for mathematics, in which branch he went far enough to master the principles of trigonometry; he became tolerably familiar with elementary Latin and French; the study of the latter language he afterward carried well forward in business among Frenchmen. His father's circumstances did not admit his receiving a college training. Two sisters older than himself, to whose aid he was much indebted for help in his studies, had a prior claim in that respect. After he had entered into business



he might have enjoyed the opportunity of a more liberal education, but the twig had been bent; that he would have made a finished scholar and succeeded in one of the learned professions adapted to his tastes is quite certain, but whether he could have achieved results more substantial than those that have crowned his life is questionable.

In the spring of 1846 he went into the French house of Guillaume Rozat and company, which traded principally with the western ports of France, their business being confined to shipping and importing. The experience he gained there by close application was of great value to him in later years. The familiarity which he acquired with foreign business and the ability displayed by him to manage it were such that after he had been two years with his French employers, Amos R. Eno, one of the leading importing and jobbing dry-goods men of New York city, and a friend of his father, induced him to come to him, and gave him charge of the foreign branch of his house, in which position he continued nearly three years, when he was offered the position of European buyer for the house. Had he accepted it is not at all unlikely he would have become a very wealthy man, but his thoughts had been turned in another direction. His father had a large family depending upon his labor, and Henry felt that he ought to do something that would be more directly helpful to them. Oregon appeared to offer the prospect that was desired, and as we have seen he came to Portland with his father in 1851. In 1869, in connection with H. W. Corbett, he purchased a controlling interest in the First National bank of Portland, which had been organized in 1865, but had not started business until a year later.

It had been a slow-going institution, that was to be vitilized under the new management. Mr Failing was chosen president and Mr Corbett vice-president, which offices they have held respectively ever since.

The coin deposits of the bank when they took it were about \$48,000; these afterward steadily increased until in the latter part of 1889 they amounted to from three to three and a half million. Its capital was increased in a short while from \$100,000 to \$250,000, and subsequently to \$500,000. That its dividends have been satisfactory goes without saying. The success of the bank, according to the size of its capital and the period in which it has done business, is almost without parallel. Mr Failing's tributary banking interests are at the Dalles, Pendleton, Baker city, Heppner, and elsewhere in Oregon and at Dayton, Colfax, and elsewhere in Washington.

The First National bank of Portland has outstripped all other institutions of the kind in the Pacific northwest. Of these banks there is the ordinary number, and their average standing is at least as good as in any other community, perhaps better than in most, for if there is one characteristic in affairs in this section of the United States it is stability. A high degree of success in banking presupposes the elements of knowledge, wide in scope and precise in detail, discriminating judgment of men and affairs, coolness, self-control, determination, courage. A banker must be the man of all others to inspire confidence in the most delicate general relationship that men sustain toward each other—the guardianship of money, which is the next thing to life, if not life itself, in these times, if not always, and yet the highest integrity is not an adequate guaranty. The banker who is phenomenally successful continuously must needs be a general as well as morally superior. The First National bank never applied to any one for custom. Its roots went down from the beginning into, and drew its blood from, the confidence of the people. To this extent it grew as the country enlarged. Its prosperity, in an ordinary sense, would have been assured by this fact alone. It treated its customers liberally. It avoided usury from consider-

ations both moral and politic, has never accepted anything above the legal rate, and it has always kept below the law in this respect. When the legal rate was ten per cent, with the liberty to charge twelve per cent on express contract, before the law was rescinded the bank's maximum rate was ten per cent. Here we have presented, on the one hand, a wholesome, high-minded, humane groundwork of operations, and on the other, implicit faith in the integrity and skill of the management; resulting in an unprecedented record. The analysis of such an achievement is pleasing to the student of economics and sociology. A world of morals and dollars is involved.

The history of the bank is the central figure in the picture of Mr Failing's life. Yet he would have been a busy man apart from banking. It has been his policy to take part in everything calculated to promote the common interest, and to avoid everything in any way antagonistic to the general welfare of the community. Every public-spirited enterprise has had his countenance and coöperation, and has enjoyed the benefit of his material support and intelligence. In the early days, when internal navigation was a matter of serious concern, when obstructions in the river had to be removed in order that the clogged arteries of trade connecting Portland with the interior might be utilized, he was a stockholder in the Willamette Transportation and Locks company. He had a hand in the early operations of the Oregon Iron and Steel company, and was one of those who paid the expenses of demonstrating the value of the deposit.

Owing to his early experience in the counting-house and his connection with the shipping trade, he developed a taste for that branch of the business. As soon as his means would permit he took part in the building of a number of ships of the larger class plying chiefly between the Pacific coast and Europe and the East Indies, and which were largely employed in the transportation of grain. His interest in the

promotion of American shipping was such that he was content to invest in this line though at less remuneration than elsewhere.

After the withdrawal of his father from the merchandise business Henry Failing carried it on until 1871, when he formed a co-partnership with United States Senator H. W. Corbett, the earliest merchant in Portland, whereby a new organization was formed under the name of Corbett, Failing and company. When this combination was effected he retired, and the management was placed in the hands of his brothers Edward and James Failing, the house continuing to be the largest in hardware in the northwest.

Another enterprise must be considered here. A hotel is a matter of deep human concern. If any direct evidence were needed to prove this, as regards Portland, the wayfarer in this city at one time could testify. If the metropolis of the northwest needed any one of the accessories to human comfort and civilization, it was a first-class hotel. Henry Villard, with his famous syndicate behind him, projected a hostelry that would meet this demand. A massive stone foundation, one story in height, was left by him as a monument to his sanguine temperament. The time having become ripe for doing what Mr Villard immaturely began, Mr Failing was found among those who would perfect such a hotel as Portland required for its credit and its actual well-being. A half-million dollars was subscribed, Mr Failing and three others taking a little over half the stock. This is the history of The Portland. In connection with this hotel project an incident may be mentioned which shows Henry Failing in the light of the man who can decide against himself. The first plan was to give a bonus of \$150,000 to some one to build and operate the hotel; and the amount was subscribed by the citizens, including Mr Failing. But the scheme failed, and the local company was organized to do the work, in which, as has been said, Mr Failing was one of the

principal stockholders. His company might have legally claimed the bonus, but Mr Failing insisted that it was not subscribed with the expectation that the citizens of the town, including himself, were to build and own the hotel, and therefore the donors should have the option of converting their subscriptions to the bonus into the stock of the company, which of course they did.

Portland though not a booming city is growing healthily, and is becoming more and more progressive. One of its other needs has been a bountiful supply of pure water. The legislature at its session in 1886 passed an act creating a water committee, and authorizing the issue of city bonds to the amount of \$700,000, to supply the city with water. A committee was chosen by the legislature, in accordance with the views of representative tax-payers and citizens, to have the charge of the expenditure of this money. Mr Failing was elected chairman of this committee, also chairman of the sub-committee having charge of the works. The amount appropriated was insufficient to construct a gravity system, and the plant of the Portland Water company, five miles south of town, on the Willamette river, was purchased on behalf of the city, pending the introduction of a better supply. Under the administration of the committee water rates were reduced in 1889 to an average of forty per cent below the previous rates. In 1887 the gross proceeds were \$97,000, in 1888 \$113,000, and in 1889 nearly \$150,000. This increase was in face of the decrease in rate just mentioned, which went into effect April 1, 1887. After providing for interest charges and operating expenses, over \$60,000 was applied to new construction. The purpose was to build a pipe line to Bull run, a mountain stream rising on the western slope of the Cascades, from which an abundant supply of pure water might be obtained. This required a further outlay of about \$2,000,000. For the issuance of additional bonds to this extent the

authority of the legislature will be granted, for no assurance is needed that under the committee's management every dollar of the amount will be properly expended.

Mr Failing and others seeing that there was an opportunity to carry forward another enterprise in a conservative way, and afford employment for a number of laborers, in 1888 formed the Portland Cordage company. The capacity of their plant was doubled in 1889, and it bids fair to become a permanent investment.

Mr Failing has been a friend and patron of all the schools. He is a trustee of the McMinnville college and has been regent of the university of Oregon, at Eugene, for some years, and also treasurer of the Pacific university at Forest Grove for twenty years. The fact is he is treasurer of many institutions to which he gives his time as custodian. He has had a substantial share in promoting the growth and usefulness of the Library association of Portland, contributing of his time and means liberally to its welfare.

In politics he was formerly a whig. When the whigs died out altogether he became a republican. He was a member of the union party, and acted as chairman of the state central committee during the latter part of the civil war. He was elected and served as mayor three times, that is, in 1864, 1865, and 1873; and exercised a controlling influence in the formation of the city charter of 1864, which stands substantially the same to-day. During his last term as mayor Portland was visited by a disastrous fire. Much sympathy was expressed in the east and in San Francisco, and a large sum of money was collected for the relief of the sufferers. There was, however, ample money contributed at home to meet all proper demands. Mr Failing gave at least his share, and took the stand that donations from abroad should not be accepted. He was much censured for this by a number of people who were holding out their hats for



alms, but time has shown that he did well to maintain the independence of his city; for after responding to every just claim and so managing the fund as to provide destitute laboring people with the means of earning their living, a nice sum of money was left over. This was placed in the hands of a board of trustees, of which Mr Failing was one, to be used for the relief of disabled firemen, in case of accident or destitution, or in any like emergency. The fund has steadily increased, and has also been the means of relieving many cases of distress.

Mr Failing's participation in public affairs has been to a degree in the nature of a compliance with the wishes of the best elements of the community. His attitude in politics has been that of the loyal citizen, regardless of the clamor of those with axes to grind. On the question that agitates the nation his idea is that the tariff should be so adjusted as to afford revenue and incidental protection. On all such questions of policy and finance he is well informed. Brought up as he was, he could not fail to be fully in sympathy with those who labor for their meat and bread. With regard to the problem of immigration into the United States, he takes the ground that the nation's sovereignty over its domain should never be questioned. He regards the Chinese as an undesirable element among us, but it is his idea that those who are now on the Pacific slope can be utilized profitably in certain sorts of work which the white men of the country are not so well adapted to perform. He entertains a warm regard for those who live by manual toil, while he appreciates the rights of the capitalist. He lives in that cool atmosphere in which no arbiter is recognized but the law.

He was appointed one of the United States commission to the world's exposition at Paris, the appointment being made at the instance of the senators and representatives from Oregon. He declined the appointment, although he appreciated the distinction.

He did not feel that he had the required the fitness for the position. Professor Agassiz and other great scientists and scholars being members of the commission, he felt that he would not be *en pays de connaissance*.

He visited Europe in 1879 and was, absent a year, one-half of which time he spent in Italy. His interests in the art treasures of that country indicates very plainly what his taste is, and it would be impossible for him to say that he is without critical judgment, for among the pictures which adorn his dwelling, in addition to foreign masterpieces, are several productions of American artists who, at the time of the purchase, were quite obscure, but who have since risen to fame.

Mr Failing married in Portland, October 21, 1858, Miss Emily Phelps Corbett, a sister of Senator Corbett. Mrs Failing was born in July 1836, and educated at Cambridge academy, New York. In the twelfth year of their married life Mrs Failing passed away, after having suffered for several years from consumption. Those who knew her in Portland society remember her tenderly. Matthew P. Deady, United States judge, says: "I remember Mrs Failing as a most genial, agreeable woman, always sympathetic and responsive, with a pleasant smile lighting up her face. She possessed good sense, and was in every way worthy and useful in her sphere. Her death was a great loss to the community, actual and prospective, and felt as such by all who knew her." Mr Edward Failing, a younger brother of Mr Failing, says, "She was one of the loveliest women I ever knew." Mr Failing did not marry again, but devoted himself to the care and education of his three daughters, at St Helen hall, Portland. The youngest, however, completed her studies in 1887 at Farmington, Connecticut. They have enjoyed every advantage that a fond father with large wealth could bestow, and are esteemed for their merits in the excellent

society of the metropolis. Mr Failing's brother, Edward, is one of the firm, and manager of the business, of Corbett, Failing and company. He is a man of strong character and varied accomplishments. His head is full of information on many topics, and his knowledge is of the precise sort ; if this were not so, however, he would not be a Failing. He possesses decided literary tastes and ability as a critic. His wife, Olivia Henderson, was introduced to the public in the first volume of my *History of Oregon*, and referred to again in the second volume as the emigrant baby born in Nevada, September 11, 1846, on the southern route to Oregon, and in the November following, rocked in an ox-wagon during the five days' journey through the Umpqua cañon, amid rain and snow, over great rocks and in the bed of the foaming stream. They have eight daughters and one son, of whom Oregon may fairly boast. Though no two of them are alike, they are all exceptionally fine looking, and form in a group a picture of loveliness that should take the prize anywhere. Another brother, James F. Failing, is also a member of the firm of Corbett, Failing and company. John W. Failing, the brother, who came to Portland in 1851, is now living in Tennessee practicing medicine. Henry Failing's only living sister is Mrs Mary F. Merrill, of Brooklyn, New York.

Mr Failing's residence is one of the most spacious, substantial, and elegant in the city of Portland, which has a reputation second in this respect to no other city in the United States of its size and population. The first house that he built was small and unpretentious, adapted to his needs and circumstances in pioneer days. It stands, carefully preserved, near its palatial successor, as a reminder to his children of the roof under which they were born.

Thus are presented the intimate connections, the achievements of the subject of this supplementary biographical study. A few of the distinctive features

of his character have been touched upon in passing. It is not for lack of individuality that the portraiture of his life is difficult, but somewhat so by reason of the simplicity of his career—a simplicity more apparent, nevertheless, than real. Men who have done less than he might be discussed with greater ease, because their course has been more upon the thoroughfares and in exposed places. Avoiding all garishness, his development, like that of the country of which he is a part, and to the growth of which every act of his has contributed more or less, has been more rapid and comprehensive at every step. He has builded silently and deep, and when he is gone he will be better known than he is now. The reserve in which he lives, which is somewhat natural to him, has been increased by his surroundings as a banker; yet he is sympathetic, kind, and generous. He impresses you as a man who is certain of his position, and not apprehensive of being disturbed in it. It is not always easy for him to say no, but when he has spoken his negative is absolute. A cool, keen observer, and very deliberate, his decision is sharp and final. Whatever he does he does gracefully. His personnel at every point is genteel. He is courteous, though reserved; his expression positive and candid. Among friends he is cordial; among strangers he is more guarded. In Paris, London, or Berlin he would not be altogether a strange figure among native bankers, for though American in the strictest sense, he is less provincial than cosmopolitan. His speech is a counterpart of his demeanor, conservative and exact, rather aimed below than above the fulness of the fact. Although his early school education was, as has been seen, somewhat limited, he has been all his life a student. By general reading, he has accumulated a fund of information on various subjects far in excess of that possessed by the majority of college-bred men; his reading has so kept pace with his study of men and affairs that the combination has

made him a man of such knowledge and culture, that few would imagine that his schooldays ended in his twelfth year. His study has covered a wide range, but he is more remarkable for his familiarity with questions of national policy, particularly in those of finance. He is laconic and direct, as though having but little use for words as the tools of rhetoric. Making no superfluous expenditure of energy, he is strong in the strength he reserves. His social standing is high; his reputation spotless. Though first of all a man of business, he knows how to throw off the cares of the office. He may take his affairs with him to the club, but never forgets to leave them at the threshold of his dwelling. He stands well among distinguished people in New York and abroad, especially among the bankers, who welcome him, bearing his sheaves, into their inner circles. He is looked up to, trusted, and leaned upon in his community. He is called upon oftener than most others to give time and attention to matters of general and personal nature, and when so appealed to he never declines responsibility, labor, or valuable time. How much he gives in the way of alms no one will ever know. To him gifts lose their flavor if heralded.

Here, then, is a man of singleness of purpose, indefatigable in labor, scrupulously just, possessed of rare talent, successful in the highest degree in a life-work. The setting in which he appears is the achievement of peaceful conquests, less brilliant than the deeds of war, but more substantial; in every sense creative, and in no way destructive. He came in and took part in clearing away the forest for the site of a magnificent city, among the most active and valuable citizens of which he has been continuously conspicuous. The world has in every way been better for his part in it. His life is a wholesome study, and a worthy example. In the proper order of things he should end his active career with a term in the United States senate, a place with which his name has often been connected.

## CHAPTER XVIII.

### COMMERCE—THE NORTHWEST COAST.

GOLD AND FURS AS AGENTS OF COLONIZATION—THE FRENCH IN AMERICA—  
A CONTINENT FOR A GAME PRESERVE—INTERCOURSE WITH THE SAVAGES—  
ADVENT OF THE BRITISH—THE TWO GREAT RIVAL FUR COMPANIES—  
ENGLISH AND UNITED STATES TRADERS—THE NORTHWEST COAST,  
ALASKA, AND CHINA CIRCUIT—ASTORIA ESTABLISHED—UNION OF THE  
TWO COMPANIES—TRADE ROUTINE.

THE primary attractions in America for European civilization were the gold and silver of the central regions, and the peltries of the northern latitudes. Land and slaves were not to be despised, some even preferring these to the skins of wild animals or the worshipped yellow metal. But gold and furs alone could have prevailed upon men at the first to risk their lives in the hot malarious airs of the tropics, and in the bleak winds of a hyperborean wilderness.

Furs lured the ancient Phœnicians toward the Baltic, and subsequently enticed the English to the White sea, as I have elsewhere intimated, thereby, stimulating the Muscovites to their eastward adventure, during which they overran the vast expanse of Siberia and added an Asiatic empire to their domains. The pioneers in this traffic in America were the French. Their fishermen had, early in the sixteenth century, sought the banks of Newfoundland, and thence following the path of navigators, they entered the St Lawrence river in its later decades. Trappers and traders then took the place of sailors as explorers, with their full quota of heroes lending romance to adventure, spreading geographic knowledge, and finding a pathway for settlers.



The reckless conduct of irresponsible traders, especially when urged on by rivalry, and the desire of the crown to secure a share of the returns, as well as to sustain order and protect Indians and white men alike from robbery and bloodshed, led to monopoly grants. Remoteness from supervision made it difficult to maintain exclusiveness, assisted as interlopers were by the untrodden wilds, by friendly natives, and often by force of arms. Influence prevailed also at court to outbid existing concessions and effect changes which facilitated encroachments. A means to lessen these was for the monopolies to sublet districts or issue factory licenses to competitors, and so save a portion of the revenue while obtaining allies to preclude wider poaching. Once fully started, the trade grew rapidly with the aid of river routes, spreading at first southward, until a line of forts stretched from Canada along the Mississippi to the southern French colony of Louisiana, hedging in the Dutch and English companies, which were operating from Maine to Virginia inward. The Gauls long maintained the advantage, however, owing to their winsome ways and ready adoption of aboriginal habits, which gained the affections of the savages from the more reserved Teutons.

The interior was a vast game preserve, a hunter's paradise, which lured the trappers onward, even aside from the encroachments of the gradually increasing settlements behind. The *coureurs des bois*, the Indianized French, with their half-breed progeny, led the way, as pioneers and forest peddlers, for the rest of the reckless crews of different nationalities, enticed to the wilderness by novelty and danger. Some endeavored to hold their own against their opponents with a haughty attitude and display of weapons which should command respect or fear; others less protected sought to assure safety and success by concessions to the whims of others, and a careful consideration of their rights. Against the gloom of solitude all were pro-

vided with a deep well of content, to which nature lent its aid in its wild grandeur and beauty. Whatever their feeling toward the savage, whatever their hardships, all yielded to considerations of safety or of gain. They calculated upon the influence of baubles, upon the insidious power of liquor to benumb the brain and weaken the muscle; they understood the value of securing alliances of bands or tribes to offset other combinations; and they appreciated the attractive and valuable association with daughters of the forest.

While practised in combating dangers and dominating the passions of savage foes, they had little control over themselves. Drawn like the miner by the power of golden hopes, yet by slow accumulation, they could at best acquire only mediocre returns; and, with a recklessness and extravagance equal to those of the diggers, they dissipated their all in the revelry of a few days. Then they turned back to procure fresh means for another indulgence. It was a vagabond life—in the summer, of trafficking and drinking, while the winter was often passed in semi-torpid repose. But once under the influence of forest fascinations, few could be persuaded to return to the atmosphere of straight-laced conventionalism; and this, notwithstanding the perils and suffering which made such havoc in their ranks.

The most formidable rivals of the French traders were the English, and among these the Hudson's Bay company, formed under a charter in 1670, and composed of a number of prominent men under the leadership of Prince Rupert. They were granted permanent proprietorship of all the land adjacent to Hudson's bay not possessed by any other European nation; and, although not confirmed by parliament, the gift was practically conceded. The frequent wars between England and France gave here a bloody tint to business competition, manifested in encroachments,

seizure of pack-trains, capture of forts, and even organized military expeditions swelled by subsidized native allies. The strife continued with varying advantage until 1763, when the French yielded to the British all their possessions northward and east of the Mississippi.

The hitherto somewhat circumscribed Hudson's Bay company now prepared, with the acquisition of ceded posts, to extend their operations, but encountered more resolute rivals among their own countrymen. The most formidable were some Scotchmen, who soon united under the name of the Northwest company, backed by Montreal capitalists, and aided by a select corps of French servants. Beginning at Michilimackinac, they spread south and north into the regions claimed by the old monopoly, straining every nerve to circumvent its organized forces, and to outbid them among the Indians, hesitating not to dispense the poisonous fire-water or supply suspected natives with arms so that the immediate object was achieved. The competition became at times so ruinous as to consume the hitherto large dividends, and it was aggravated by many a damaging raid and bloody feud.

The Northwest company, with employes spurred by wise and liberal methods, and led in the field usually by its partners, carried the advantage. By 1804 it held almost undisputed control of the interior northwest to the Arctic sea, and offered to purchase the interests of the other company. The proposal being rejected, it prepared to extend its domain by adding the Pacific slope, lately explored by its pioneer bands. The first post founded on the west side of the Rocky mountains was at McLeod lake, in 1805, and during the following five years several more were erected, as far down as Spokane river, in the present territory of Washington. Here they encountered a two-fold competition.

The Russians had in Siberia obtained access to the remunerative markets of northern China, and on

crossing to Alaska they sent thither the best proportion of their furs. Their entry into northwest America being noised abroad, inquisitive explorers from Spain and England came to pry into the resources and straits of this region. Spanish eyes were blind to anything that bore not the glitter of gold, but the more practical Britons, under Cook, failed not to observe the fur animals, especially the sea-otters, and to learn the value placed in China upon peltry.

English sailors were eager for the traffic, but found themselves restrained by the trade monopoly held by the East India and South Sea companies. Hence the first recorded attempt was made at Trieste, in 1781, which failed to be carried out, and the first actual voyage, undertaken in 1785 by Captain James Hanna, in a small brig from China, appears to have been made under the Portuguese flag. Several vessels followed in 1786 and subsequently, from China, India, England, and other parts, chiefly under arrangement with the monopoly, others under Austrian or other flags. Of these, the voyages of Meares and Portlock and Dixon were duly recorded in special published narratives. The French, under La Pérouse and Marchand, examined into the traffic, and their report led to an experiment which proved a financial failure, owing to the closing at the time of the Chinese ports. A citizen of the United States, John Ledyard by name, who had sailed under Cook, was among the most ardent advocates of the traffic, and strove in Europe and America for many years in vain to obtain the coöperation of merchants for his plans. Finally some Boston men took the hint, and fitted out two vessels, in 1787, under Kendrick and Gray, which succeeded so well as to induce several other Americans to engage in the business. Gray was the first to carry a United States vessel round the world.

The record of these traders is vague, but nearly all added their quota through some channel to geographic knowledge, and assisted to gain titular rights

to the country for their respective nations. Spain, which held the discovery title to it, became alarmed, and sent expeditions to protect her interests, and to seize any English traders who might form establishments imperilling her sovereign rights. England protested, and by the Nootka convention of 1790 the coast was left open to both nationalities, and, indeed, to any, for Spain retired soon after, and never again presented herself. But the interruption had served to dampen British ardor for enterprise in this quarter, and to invite United States traders, who enjoyed Spanish favor and the advantage of entry into Chinese ports unhampered by monopoly restrictions. They were even engaged by Englishmen to carry their furs. Thus they soon absorbed most of their traffic. Of the vessels recorded during 1790-1818, more than a hundred were from the United States, while only twenty-two are assigned to England, three to French, and two to Portuguese flags. A complete record would swell the list for both the Anglo-Saxon nations, but the first mentioned predominated in 1792.

Boston despatched most of the vessels, for ventures from New York and other ports were not encouraging. An outfit cost \$17,000, the cargo consisting chiefly of hardware, beads, Yankee notions, guns, ammunition, rum, and molasses, and later, blankets. The vessels ranged between 100 and 250 tons, and had to be well provisioned and armed. Care was taken not to admit too many natives on board at a time, and with growing competition more tact and haggling were required to prevail upon the capricious and deceitful red-skins. In less frequented localities extraordinary bargains could long be had. One captain obtained for a chisel 200 otter-skins, worth perhaps \$20,000. Beads and brass buttons frequently captivated the savage fancy, after axes, kettles, and coats had been rejected. The price obtained for the skins in China varied greatly, ranging from \$15 to \$150, according to supply or fashion. The total shipments during



the four years 1799–1802 are placed at 48,500 skins. An invested capital of \$40,000 not infrequently returned \$150,000. For several years after 1880 the annual yield of sea-otter skins on the coast was 5,500, worth \$80 each.

The voyage of the Boston ships usually occupied three years, allowing two seasons for trading on the coast. After peddling from point to point during one summer, the vessel wintered at the islands, leaving the skins there to be dried and cared for. The following year completed the barter, whereupon the skins were taken to China, and exchanged for tea, silks, nankeen, and the like. With increasing competition and less bargains, profits had to be eked out by carrying supplies to Alaska, trading for oil, shells, sandal-wood, in southeastern latitudes, and in a smuggling traffic along the California and other coasts. In the third decade of this century the English monopoly took effective steps to discourage these rivals.

The early success of the Boston vessels had served to hasten the advance of the Northwest company in this direction. It also roused the interior United States trappers, who, after achieving independence, began to contest the northern frontier with the Canadians, and to sweep the Mississippi tributaries from their headquarters at St Louis. Several companies centred here, to be for a time overshadowed or absorbed by John Jacob Astor, of New York. They sought business partly in the Santa Fé caravan trade. They had long been skirting the Rocky mountains, to which the Vérendrye pointed the way in 1730–43. Prompted by the ambition to become the fur-trading magnate of the continent, Astor planned the extension of his American company to the western coast along a line of forts. To this end he won over a number of able officers and servants from the Canadians, and organized the Pacific Fur company, in which he gave them a half interest, while assuming all risks for the first five years. Two expeditions were despatched,



one by sea, the other by land. The former founded the post of Astoria, near the mouth of the Columbia, and other stations above on the river, wherefrom to control the fur supply. Arrangements were made for opening trade with Alaska, and for divers enterprises. The war between England and the United States interfered with these projects, already crippled by the loss of two supply vessels. The Pacific Fur company had to sell its property at a sacrifice to the Northwest company to escape total loss by capture, and Astoria passed under the English flag. So faded Astor's dream of Pacific fur monopoly. He continued his operations on the Missouri tributaries for several years before retiring from a pursuit whose choicest treasures lay beyond his reach, within the Arctic zone.

In undisputed possession of the Pacific slope, and strengthened by recruits from the disbanded opponent, the Northwest company rapidly overspread the field, under the able direction of Donald McTavish, aided by D. McKenzie. The war ended, they secured the advantage of sending furs to China under the United States flag, which soon again floated over Astoria; yet the traders maintained it as headquarters owing to its proximity to the sea. Numerous forts were added in the promising parts, and the hunting force was by 1817 increased to more than three hundred Canadians, sustained by three supply ships. Thus they stood prepared to face the Hudson's Bay company, which was then preparing to press the issue in this quarter as it was doing on the eastern slope.

A bloody encounter between the two rivals at Red river in 1817 had proved so serious as to call for government investigation and mediation. The result was their union four years later, on equal terms, under the title of the older corporation, and favored by a license for twenty-one years, prolonged till 1859, for exclusive trade in British hyperborean North America.

A fresh spirit was now infused into the old and somewhat straight-laced corporation by the energetic Northwest members, whose efficiency was greatly due to their wise system of promoting ability and stimulating zeal, as observed elsewhere. Private trading was strictly prohibited. If profits were large, so were risks and expenses. A two-years supply of goods had to be kept on hand to guard against wrecks and other accidents. The Pacific headquarters kept the accounts with the London house and the subordinate posts, and looked after every skin and bead throughout the department. Regular brigades took the supplies and brought back the furs, and shipments were made annually to London, where sales took place in the months of March and September, at auction. Among the risks were advances to trappers and Indians, dependent partly on honesty, partly on the debtor's success. The returns of the furs varied greatly according to the wealth of the district, the energy of the Indians, and their disposition as affected by competition. One would yield £5,000 annually, another a fifth as much. One dollar's worth of baubles or useful articles might bring from two to twenty dollars. Fixed prices prevailed in the absence of competition; in 1830 a frontier post offered a foot of twist tobacco, a gallon kettle or a small axe for a skin worth twenty shillings; a coat cost six skins and a gun twenty skins. To the native the price mattered little, for gambling, dissipation, and carelessness quickly absorbed his wealth.

Trade was by barter. A currency once introduced went out of use after a brief trial. Even the servants never saw coin or notes. Beaver skins formed the best standard for value until their decline, after the introduction of silk hats, from twenty-seven shillings in 1839 to three and six-pence in 1846. Goods were divided into articles suitable for presents, useful articles for barter, and so-called Indian goods, as beads, paints, and handkerchiefs for buying food or

labor. Pompous receptions, with smoking, or even potations of rum, were used to pave the way for traffic. Or under other circumstances, the Indian presented his furs at the small window of the sale room and received the goods indicated, at tariff rates. At some forts the furs were sorted and valued in a special room, and casters given, which could be exchanged for goods.

From most of the principal forts trading and trapping expeditions were sent out every autumn, to return the following spring or summer, with their catch of the superior winter skins. The largest, composed wholly or in part of half-breeds and white men, proceeded into California and up the Snake river. Independent parties obtained outfits on credit. Boats were used so far as rivers admitted, and along the coast were several armed sailing vessels, besides steamers, and craft on interior lakes. The annual brigades for the eastern slope, or for carrying effects to and from posts, consisted chiefly of *voyageurs*, who cached their boats and superfluous stores at the heads of canoe navigation. The eastward party left Fort Vancouver in March, and returned from York factory by October. In 1846 the company employed 1,000 men on the Pacific slope, and ten years later their total force in America was placed at 3,000.

After the consolidation a reorganization took place on the Northwest coast in 1824 by the governor-in-chief, George Simpson. He installed as manager here John McLoughlin, a clear-headed trader of the Northwest company, who by marked ability raised himself to the position of governor for this department, with practical independence of the eastern officers.

An Indian policy was pursued which assured the safety of posts, and even lone travellers, and promoted a harmonious intercourse. Forts were erected, especially along the coast, which together with fast supply-ships succeeded in excluding Boston vessels,

whose reckless bartering with liquor and ammunition was both ruinous and dangerous. New headquarters were founded at Fort Vancouver, near the head of Columbia ship-navigation, and most convenient for interior boat expeditions, which could pass far up the main river into British Columbia to connect with pack-trains, or along the Snake tributary to Fort Hall, the extreme south-eastern station, or up the Willamette to Fort Umpqua, the extreme south-western post, whence parties secured the great valleys of California. The Columbia bar proving dangerous, a safer shipping point was opened at Nisqually, on Puget sound, the transit point for the coast region northward.

By treaty of 1825 with Russia, England was allowed free access to Alaskan coasts for ten years, and permanent admission into the river passing through the Russian shore line. On attempting to use this privilege in 1834 the Muscovites objected. The result was a diplomatic interference, resulting in an award of damages for the Hudson's Bay company, which, moreover, secured in 1839 a ten years' lease, subsequently renewed, of the southern ten leagues coast strip. The aim was not only to turn to more profitable account this fur field, but to gain a better foothold beyond for competition with the less enterprising Russians, and to assure them as customers for supplies. This and other coast trade was greatly promoted by the introduction in 1836 of the first steamer in these northern waters, the *Beaver*, assisted in 1852 by a consort, the *Otter*.

Around several of the forts, and especially between the Columbia river and Puget sound, lumbering, fishing, and agriculture were undertaken on a large scale, to obviate the costly introduction of supplies, and to obtain an acceptable medium for gathering additional furs northward. To this end an agency was established at the Hawaiian islands, where flour, lumber, and salmon were exchanged for coffee, sugar, molasses,

rice, and salt, the latter procured soon after from Cármen island, Lower California. The whalers resorting to the islands proved the best patrons. In 1841 another agency was opened at Yerba Buena, San Francisco bay, partly to gain the custom of the few whalers calling there, and also to purchase hides, tallow, and cattle with European goods; but it was abandoned five years later, thus missing the fine trade opportunities of the gold excitement.

These various advantages added materially to the prosperity of the association. The Hudson's Bay company proper had been so seriously crippled in the struggle with its energetic rival, that the sixty or seventy per cent dividends, paid on the £94,500 of capital prior to 1800, fell after this often to nothing. In 1821 each company brought a stock of £200,000, on which from ten to twenty per cent was thenceforth paid, while the shares rose to more than 200 per cent premium. In 1863 the stock was raised to \$2,000,000 by re-issue at par. The company claimed 896,000,000 acres of land, of which the improved sections below Puget sound were in 1846 valued at nearly a million dollars. The business was then yielding from £25,000 to £35,000 a year, one fourth coming from below the 49th parallel.

But the end was at hand in the southern region. The fine climate and soil of the Columbia basin were becoming known in the United States, and settlers began to pour in along the path of such experimental trade rivals of the company as Wyeth and Bonneville. To stem the current was impossible; yet because McLoughlin adopted the next best course, a conciliatory attitude, the directory became dissatisfied, and caused him to resign in 1846.

## CHAPTER XIX.

### COMMERCE—OREGON.

DECLINE OF TRAFFIC OF THE GREAT FUR MONOPOLY—TRADERS OF THE UNITED STATES ENTER OREGON BY WATER AND BY LAND—THE FIRST COLUMBIA RIVER SALMON FISHERY—MISSIONARIES AS MEN OF BUSINESS—TRADE WITH ALASKA, CALIFORNIA, AND THE ISLANDS—RISE AND PROGRESS OF PORTLAND.

FOLLOWING the Hudson's Bay company's traffic in what is now the state of Oregon were the missionaries, who, being unsuccessful in the conversion of the natives, took the goods sent out from the east for missionary purposes and opened store at the falls of the Willamette, where now is Oregon city.

True, previous attempts had been made by men from the United States to start in opposition to the Hudson's Bay company. The charter of the company forbade any British subject from trespassing upon the company's territory for purposes of trade; but it could not forbid Americans from engaging therein in regions the possession of which was disputed. After the absorption of Astoria by the fur company, Nathaniel J. Wyeth made an attempt to break the power of the monopoly in Oregon. His first adventure was in 1832, and, though unsuccessful, induced him to believe that he could establish a trading-post on the lower Columbia which would prove a formidable rival of Fort Vancouver.

On his return to the eastern states he found no difficulty in enlisting capitalists of Boston and New York to engage in his new enterprise. The Columbia River Fishing and Trading company was organized, and the *May Dacre*, Captain Lambert, freighted with



articles suitable to the traffic, was despatched to the Columbia river. On his journey overland Wyeth founded Fort Hall on Snake river, hoisting over it the United States flag August 5, 1834. It was designed as an interior trading-post in connection with the principal one to be established on the Columbia.

Rejoiced to find that the *May Dacre* had already arrived when he reached Fort Vancouver, Wyeth lost no time in selecting a location for his establishment. After some examination of the Willamette river he finally fixed upon the lower end of Wapato or Sauvé island, on which site a post called Fort William and substantial log houses were erected during the winter of 1834-5. A salmon fishery was started, and every effort made to advance the interests of the new company.

But the business did not prove profitable. The powerful and long-established Hudson's Bay company was too strong for the American adventurers. The company did not intend to let the fur-trade, which they had so long and so persistently labored to establish, slip through their fingers; and besides discouraging the natives of the lower Columbia from trading at Fort William, and assisting in catching salmon, they erected Fort Boisé on the Snake river as a rival establishment to Fort Hall. Salmon-fishing and trapping were thus alike rendered unprofitable. The New Englanders were but poor hands at catching fish beside the cunning Chinooks, who, moreover, opposed the Boston men to the best of their power. Then, too, on Wapato island there was quarrelling, attended even by loss of life; and in addition to murder eight men were drowned at one time. About Fort Hall the fur-hunters were harassed by the savages, who killed many of them. Notwithstanding the intelligence, energy, and perseverance of Wyeth, ill luck attended his efforts, and the *May Dacre* sailed away with a half-cargo of fish and a few furs. After experiencing for two seasons

a dearth of salmon, Wyeth finally broke up his establishment on Wapato island and returned to Boston, and with the consent of his associates offered for sale to the directors of the Hudson's Bay company in London the property and establishments of Fort Hall and Fort William. In 1837 the sale was consummated, the matter having been referred to McLoughlin, which necessitated Wyeth's again going to the Columbia. On his return from this his third and last journey to Oregon, the Columbia River Fishing and Trading company was dissolved. Most of Wyeth's men remained in Oregon.

At length, however, fortune smiled on this enterprising man, and after all his hardships and losses he met with success at last. He established a large business for the exportation of ice from Boston to Calcutta, which proved a profitable undertaking.

After this failure to break up the fur company's monopoly, trade remained for some years exclusively under the control of that corporation, and the early immigrants, having no reserve supplies after their long journey, were dependent upon Fort Vancouver for many of the necessities of life.

At this time there were few domestic animals in the country. The neat-cattle were in the hands of the fur traders, who required them for their several posts, and would not sell even to their own countrymen. So Jason Lee, the pioneer missionary, and Ewing Young, who had failed in an attempt to establish a whiskey distillery, with others, organized the Willamette Cattle company, and sent to California for a supply of stock. In this venture they were fairly successful.

John McLoughlin, chief factor of the Hudson's Bay company, had in 1829 taken possession of the falls of the Willamette, to which place he afterward retired and became an American citizen. But now Jason Lee and others, to whom McLoughlin had been most kind, coveted this spot, and undertook

to drive McLoughlin away. They succeeded so far as to gain a foothold, as I have said, and established a store there with the mission goods. Among the first of the merchants there were George Abernethy, Ermatinger, and Pettygrove.

But their stocks at first were meagre and ill-assorted, as the vessels from Boston or New York were few, and freighted with only two or three classes of merchandise. On the other hand, Fort Vancouver was annually supplied with an assortment of general merchandise, and thither the settlers had to go for most requisites, taking their furs or wheat, which were the circulating medium, or asking for credit until their crops should be harvested. Nevertheless, as immigration increased, the settlers became more and more independent of the fur company. Trade was carried on with the Hawaiian islands, the exports thither amounting in 1847 to \$54,785.

On account of late rains in 1847, the large immigration, and the Cayuse war, a depression in business and a rise in prices occurred, which was the nearest approach to financial distress that the country had yet suffered. Farming implements, hardware, groceries, clothing material, and every article of consumption rose excessively in price. The evil of high prices was aggravated by the nature of the currency, which was government scrip, orders on merchants, and wheat. The first was of uncertain value, owing to the state of the colonial treasury, which never contained money enough to meet the government's liabilities; the system of orders on merchants constituted the merchant a banker without security for solvency, and the value of this mercantile paper was governed by the standing of the merchant, orders on the Hudson's Bay company's store alone passing at par; and lastly, the value of wheat was liable to fluctuation.

Agriculturalists were almost at the mercy of the merchants, who kept them in debt by holding down

the price of wheat and forcing up the price of merchandise. Nor had the former any relief, owing to the want of transportation to an exterior market. All this was changed, however, with the discovery of gold in California in 1848. Commerce with the islands declined, owing to the greater attractions of the gold fields. A new commercial era was opened for Oregon, previous to which the number of American craft which entered the Columbia was very small, and nearly all the commerce not carried on by those few vessels was enjoyed by the British fur company, whose barks formed regular lines to the Sandwich islands, California, and Sitka. There were two vessels, the *Toulon* and *Chenamus*, owned by men of Oregon. But as the Hudson's Bay company had made it a rule that their vessels should carry no goods for persons not concerned with them, the owners of the two Oregon vessels followed their example by refusing to carry wheat, lumber, or any other product for private individuals, on the ground that they had freight enough of their own; whence it may be seen in what a helpless position the producer was placed with regard to the sale of his surplus. The granaries and flouring-mills were rapidly becoming overstocked; lumber, laths, and shingles were made faster than they could be sold. The great immigration of 1847 afforded a partial relief to this stagnation, but the great revival in Oregon's commerce began with her intercourse with California.

About this time began the building of Portland, destined to become the metropolis of the great northwest, and henceforth her progress marks the progress of commerce. In 1848 Portland consisted of several log houses with two frame buildings, and it had a little trade with the Tualatin plains, beyond the heavily timbered highlands to the south; in less than five years thereafter the population of Portland numbered 2,000, while that of Oregon City was 1,000.

In 1851 there was direct trade with China, the

brig *Amazon* bringing a cargo from Whampoa to Portland, consigned to Norris and Company, and some years later a regular trade with foreign ports was established. Apple trees now came into bearing, and a large and profitable trade at the first ensued. In April, 1855, coal was shipped from Coos bay; and from that time the export of this mineral has been one of the principal items of commerce. The principal exports from Oregon are wheat and flour, canned and pickled salmon, bullion, coal, wool, and lumber, the exportation to foreign ports of wheat and flour being far in excess of any other article. In 1881 the exports, including the coasting-trade amounted in value to more than \$18,500,000, showing an annual increase during twenty years of nearly \$1,000,000.

The early merchants of Portland were the builders of the commonwealth of Oregon, particularly in regard to its later development. Doubtless the missionaries and pioneer settlers did much to secure the country to the United States. Had there been no movement of the kind, England would have extended her claim over the whole territory, with a fair prospect of some degree of success. But the missionaries and agriculturists alone never would have made Oregon; they never would have developed the country with such marvellous rapidity; they never would have poured out wealth so lavishly to erect churches, establish institutions of learning, make roads, clear the streams for navigation, and build a beautiful metropolis. It was, indeed, some time before the merchants themselves could enter upon this work; they had first to make their wealth, which in the early days was a slow process. But there was a quiet power and depth of purpose inherent in these men such as are sure in the end to outstrip evanescent effort, no matter how strong or brilliant it may be.

For Portland it is claimed that she contains more wealth per capita than any city in the United States, with advantages similar to those of San Francisco as a seaport and railroad centre, as a centre of wealth and population, and of commercial, financial, and manufacturing enterprise. In one respect, at least, she is superior to the Pacific coast metropolis, and that is, in the possession of three transcontinental railroads, each under separate control, and entering Portland by an independent track, either owned by or under lease to the city. She has also local lines extending over a larger area of fertile land than those of San Francisco, with four main systems pouring into her lap the gathered wealth of the northwest. As a harbor Portland has many points in her favor, with a safe and easy entrance at the mouth of the Columbia, with neither fogs nor dangerous currents nor rocky shores, so that, inside the river, disasters to shipping are almost unknown. Above all, she brings the consumer and producer nearer together than any port north of the Golden Gate, and thus in relation to commerce is one of the cheapest on the coast. In addition to the trade of Oregon, southern Washington, and Idaho, Portland controls in part the traffic of northern California, British Columbia, and western Montana; but taking only the territory watered by the Columbia and its tributaries, we have here a region 250,000 square miles in extent, and with a wealth of resources unsurpassed by any portion of the United States.

The export trade of Portland is divided between foreign lands and the United States, most of the wheat and flour being shipped to Europe, and most of the timber, in the form of spars, to England, or as building material to the treeless region east of the Rocky mountains. For lumber, California, South America, China, and Australia are also among her customers; but in this direction the market is practically unlimited, for to the building trade throughout



the world the value of Oregon woods for work requiring strength and durability is becoming generally known.

In 1880, with a population of some 20,000, Portland had a volume of business which might have been fairly distributed among thrice that number, with a wholesale trade exceeding \$30,000,000. In 1885 her wholesale trade had increased to \$45,000,000, and in 1890 to \$138,000,000. At the latter date her population was estimated at 47,000, giving as an average of commercial transactions nearly \$3,000 per capita. These figures are somewhat startling, but approximate very nearly to the truth.

The growth of Portland's commerce has been brought about by the unfolding of the country's resources, and not by unhealthy forcing or speculative movements. Of this we have sufficient evidence in the fact that no instance has yet been recorded of the failure of a wholesale house or bank in all her commercial annals. Of how many other business centres can this be said? And yet, in view of the boundless resources of the northwest, it may be said that the commerce of the city is still almost in its infancy, for thus far it has not kept pace with the growth of the several railroad systems that have vastly enlarged the area of which Portland is the natural entrepôt. Nor is this due to lack of enterprise, but rather to want of capital, the volume of which is entirely insufficient to take advantage of the openings presented to merchants and manufacturers. A larger command of funds alone is needed to grasp opportunities, which, when fully utilized, may, at no very distant day, raise the metropolis of Oregon to a foremost rank among the commercial cities of the union.

Though at first somewhat tardy in unfolding her resources, Oregon has been, and is destined yet to be, one of the most steadily prosperous of all our western commonwealths.

## CHAPTER XX.

### LIFE OF JAMES STEEL.

ANCESTRY AND PARENTAGE—HIS FATHER A MAN UNCOMPROMISING IN HIS SENSE OF JUSTICE, AND A CHAMPION OF FREEDOM—HIS MOTHER GENTLE, TENDER, AND GOOD—INHERITED TRAITS—HIS YOUTH—EQUIPMENT FOR LIFE IN THE WEST—CHRISTIAN MORALITY IN EVERY-DAY LIFE—THE CAREER OF AN ENTERPRISING, INTELLIGENT, AND CONSCIENTIOUS FACTOR IN COMMERCIAL AND SOCIAL LIFE—SUCCESS AND CHARACTER.

A MAN'S mental and physical labor may produce results of the highest material value to society; this virtue of his life may be above question, if he be considered merely as a force in commercial, industrial, or intellectual development; and this factorship of such an agent in human affairs may be studied with interest and profit, apart from every consideration of his moral or religious character. Greatness in mere intellectuality or control often exists independently of and dominates over moral worth. Grand things in science, letters, and war may be accomplished; tremendous enterprises planned and executed in the realms of commerce and industry, by men utterly selfish and without conscience. A study of their lives, however, if undertaken with reference only to the good they have done, must stop where it should properly begin, that is, at the point where, achievements having been considered, it would be in order, were there any useful lessons to be deduced, to analyze their motives, their personality, their character. A study of men in whom moral sense is lacking, however important their achievements may be, must



James Keel



deal largely with what is perishable, for the purely material creations of man are unstable and uncertain at best. The imperishable, permanent element in his nature and conduct is moral force, which is engendered in him and usefully applied by him. If this force is the spirit and guide of a man of a clever brain and laborious habit, the result is a life that is wholly satisfactory and altogether agreeable. However interesting the acts of a powerful but sordid man may be, his individuality, which should constitute the essential beauty therein, cannot be contemplated with pleasure or profit by those who place character above accomplishments. It is men who combine character with effective toil, though they may not achieve prodigies, who constitute a nation's greatness and give stability to the community.

The biography of James Steel possesses a dual value, for in him the moral and the intellectual forces unite to produce substantial works, and to make manifest the virtue of conscientious living. He was born at Woodsfield, Monroe county, Ohio, September 20, 1834. His parents were William and Mary Steel. William Steel, a native of Bigger, Scotland, came to America with his uncle, John Gibson, in the year 1819, when but nine years of age. A year or two later his father and mother came over, and they all settled in Winchester, Virginia. He inherited the traits that distinguished his ancestry, the chief of which is a radical sense of justice and a profound abhorrence of tyranny or the oppression of mankind, especially in the form of slavery as it existed at that time in the south. What he saw of this institution in the community in which he lived for a few years served only to confirm and to intensify this sentiment in him. One day, observing his mother in tears, he asked her what distressed her. Taking him by the hand she led him to the front of the house, and pointed out a gang of slaves that were being marched by, handcuffed and chained together. Bursting into

tears afresh, she said to her husband: "If this is American liberty, I want to go back to Scotland." It is not singular, therefore, that William Steel grew up to be an intense abolitionist. He was married in Barnesville, Ohio, and removed thence to Woodsfield, in the same state, where he engaged in merchandising. He was a man of common school education, scrupulously honest, intelligent, full of energy, and utterly fearless in the advocacy and vindication of what he believed to be the rights of man. For twenty years preceding the war between the states, he was conspicuous in his activity as a friend of fugitive slaves from the south, whom he assisted in every way that he could, many times under circumstances of great trial and sacrifice, and at the imminent risk of his life. The same spirit that fired John Brown of Ossawattamie animated him, and if called upon to do so, he would have lain down his life, with the same courage and enthusiasm that characterized his friend and chief in the cause of the down-trodden bondsmen. The physiognomist can readily discern in the features of these two men the same distinctive characteristics. He was altogether a man of unselfish and exalted character. Elizabeth Steel, his wife, was a woman of retiring disposition, tender in her sympathies, domestic in her tastes, industrious and frugal. By force of her virtues she exerted a decided influence over and endeared to herself all with whom she came in contact. She possessed a positive strength of character, without aggressiveness. Her life was a beautiful one in its serenity and reserve, and remarkably exempt from friction or jar. In her were typified those domestic virtues which constitute the highest usefulness, as well as the crowning ornament of womanly character. Her husband died in Portland, Oregon, in 1881. Upon his decease she became a member of the household of her son James, with whom she dwelt, beloved and loving, until six years later she, too, was called away.

The parents of James Steel came of good stock, the



“grand old man” Gladstone being a cousin of his father’s mother. He partakes of the nature of both his father and his mother, as his character and experience make manifest. As his father was, so is he, undaunted in the maintenance of principle at whatever cost; not so aggressive, perhaps, but none the less resolute in living up to a high moral standard; while, like his mother, his heart is full of sympathy, his impulses are kind and generous, and were it possible in human intercourse to live without offence, his life would come near exemplifying that possibility.

James began his commercial career in his father’s country store in Stafford, Monroe county, Ohio, when seventeen years of age. Two years afterward he was admitted to partnership in the business, which partnership lasted three years. Then, with a view of bettering himself by finding a wider scope for his energies, he made a limited tour of the south and west, visiting principally Iowa and Kansas. It was the time of “border ruffianism,” and business in most of the country over which he travelled was in a disturbed condition, so that he was unsuccessful in the object of his travels, but from this, his first friction with the outside world, his experience was valuable. In the summer of 1856 he secured a situation as clerk, and finally became book-keeper of a wholesale dry goods house in Dubuque, Iowa. In the spring of 1857, after a short visit to his parents, he returned to Dubuque, and became book-keeper and manager of a hardware store. In 1859 he engaged in the crockery business, which proving unprofitable, he abandoned it. This reverse and the preceding changes in his occupation were due to circumstances which were in no sense discreditable either to his sagacity or integrity; in fact, the contrary is true, as would be fully brought out could space be spared for details.

The most important event in his experience, the great change in his life, took place in the winter of 1857–8. This was his conversion to religion.

Through the instrumentality of an earnest and pious friend he was induced to unite himself with the congregational church, of which he has been an active and consistent member ever since. While, previous to his conversion, having been reared by God-fearing and religious parents, and having in them the example of uprightness always before his eyes, his career was honorable, as the world judges, and his reputation fair among men, it was not until he began to look beyond merely temporal affairs that he was enabled to think and act upon that higher and certain basis of morality which is practical Christianity.

In the exciting political campaign of 1860 he took an active part as a republican, in recognition of which he was offered a situation under Mr Lincoln's administration. This offer he declined, nor has he ever participated in politics as a candidate for office, though he has never ceased to be an earnest and active member of the republican party, believing that its policy is best calculated to promote the public welfare.

During the later years, preceding this date, his father had become involved, owing to his generosity in indorsing notes for his neighbors, and in the financial depression of 1858 lost all his property. Under the laws of Ohio he could have retained his homestead, but his sense of honor was such that he gave over everything he possessed to his creditors, principally to pay off the debts of others. This misfortune caused the breaking up of the family, and induced James Steel to emigrate to the west, where he hoped to be able to mend his fortunes, and assist his father and mother, and those depending upon them. He was not by any means unpatriotic. His impulse was to enlist in the army for the defence of the union, but influenced by a nearer and higher sense of duty, he decided upon the course indicated.

In the spring of 1862, in company with five or six other young men, he started across the plains in wagons, and without experiencing more than the

usual hardships of that long and trying journey, came over the route north of Snake river to Portland, arriving the following September.

His equipment for a place among the builders of commonwealth in the west, as regards character and previous experience, has been outlined. His education, so far as books are concerned, had been derived from rudimentary tuition in the public schools; but he was observant and clever, and had added to this elementary schooling that knowledge which comes only from experience among men and is the most valuable education of all; but above and beyond this, he emigrated with a definite aim and for a generous purpose. For the guide of his life he cherished a criterion which, though no man may literally conform to it, makes every one who consistently upholds it as his standard a worthier member of society, a more useful citizen, and a better man. To such men are due the progress, stability, and superior character of the community in which he may cast his lot.

He entered upon a new experience; the pioneer society of the metropolis of Oregon was still in its formative state. He is to be tried; will he succumb as many others have done, or will he remain steadfast? Lucrative employment will be offered him before long, while he struggles for a subsistence; his need of money is urgent personally, and he requires funds for the sacred purpose intimated above, but he resists every temptation to sacrifice principle for the sake of immediate relief. He arrived Saturday evening; the following Sunday morning he saw most of the business places open; bands were playing in the saloons, and the numerous gambling-houses were in full blast. This was all new and strange to him, but he had brought his religion with him, not to indulge in as a theory, but for use. Shunning all the allurements about him, he wended his way to church. Having divided his last five dollars with a friend with whom he had crossed the plains, when Monday morning

came he had no money left. He secured employment in a bakery and grocery store, working six weeks for his board alone; this was the best he could do to begin with, though perhaps this was not so unfortunate for him as it might seem, for the trip across the plains had given him an almost insatiable appetite. Always keen for regular meals, and lunching between times continuously, in thirty days he had gained twenty-five pounds. While he was earning only a subsistence, he was offered \$100 a month to work in one of the "reputable" saloons. A young man of less character might have yielded to this blandishment of Satan, but he resisted and drove the tempter from him. In hopes of getting more legitimate and paying employment at Salem, but having no money to pay his fare up, he made the trip on foot. Unsuccessful in his search for work there and worn out, he returned to Portland. The clouds begin to rise; he secures a situation with his former employer, the grocer, with whom, in a few months, he is doing so well that he is able to make substantial remittances to his father and mother in the east. An incident occurred during his grocery clerkship which ought to be noted to show his invincible determination not to compromise on a question of right and wrong, and the consequences of this determination. At the risk of losing his place he refused to sell intoxicating drink, which it was at that time customary for grocers to keep as part of their stock, and sell by the quart or in larger quantities, with the result that the proprietor eliminated this article from his stock. His obstinacy in not selling any goods on Sunday brought about a reform in this respect also. In 1864 he became book-keeper and cashier of the dry goods and grocery house of Harker Brothers, which house retiring from business two years afterward, he went to Oregon city to adjust the affairs of the Oregon city woollen mills. Thus he went forward establishing and enlarging, by energetic, intelligent, and up-

right labor upon whatever he found to do, a solid reputation for integrity, ability, and enterprise. On the organization of the First National bank of Portland in 1866 he became its cashier, the practical management of which devolved upon him for sixteen years. In this position his natural talent for finance found congenial scope; and his efforts to promote the growth of the bank were highly appreciated by those associated with him.

In July 1882 he resigned his position to engage in a general warehouse and grain business on the lines of the Oregonian Railway company, having leased from the Oregon Railway and Navigation company all the warehouses owned by it; but he had hardly got this new enterprise under way when unforeseen complications in railroad matters put a sudden end to the business. In 1883 he became one of the organizers of the Willamette Savings bank, and was elected president; in 1886 this institution was converted into an active commercial national bank, with a capital of one hundred thousand dollars, under the name of the Merchants' National bank, of which Mr Steel has been president from the beginning. His labors in connection therewith have been marked with rare success, and have brought it into the front rank among the prosperous banking houses of Oregon. The business of the bank grew so rapidly that it was determined to increase the capital stock, and in October 1890 it was increased to one million dollars, thus giving it the largest capital of any institution of its kind on the Pacific coast outside of San Francisco.

In the fall of 1890 the large works of the Oregon Pottery company were entirely destroyed by fire. The president and general manager, A. M. Smith, being in very poor health, the rebuilding of the works and the management of the business made it necessary that Mr Steel should devote much of his time to looking after the affairs of that company, which,

together with other private interests requiring his personal attention, made it necessary that he should retire from the active management of the bank, and at the annual election in January 1891, upon being renominated as president, he declined to accept the office, because with the enlarged capital of the bank the entire time of that officer should be given to its affairs, which was impossible with him under the circumstances. He retained his interest in the bank, and was induced to accept the position of vice-president, with the understanding that he should not be required to give any time to the active business of the bank, except when he might be needed in the absence of the president.

Among the other enterprises to the successful promotion of which he contributed talent and industry, may be mentioned the Oregon Construction company, which built the Oregon Railway and Navigation line from Pendleton to Huntington, and the Palouse branch of the Northern Pacific railroad, having personal charge of the construction from Colfax to Moscow. He was one of the promoters and was largely interested in the Klamath River Lumber and Improvement company, a corporation owning a large body of timber-land in Klamath county, Oregon, the town-site of Klamath city in California, and a twenty-year franchise for floating logs down the Klamath river, and building at Klamath city one of the finest saw-mills on the Pacific coast. He is half owner of the Oregon Pottery company, with a capital of \$100,000, of which he was one of the incorporators in 1884; is associated with his brother, George A. Steel—G. A. Steel & Co.—in the insurance and real estate business. They, with other leading men, having purchased Fulton park, a tract of about 400 acres of land lying some two miles south of Portland, and having divided it up for sale into blocks and lots, the brothers proposed to their associates in the enterprise to build an electric-motor line to the land, in order to bring the



property into ready market. As the building of this road involved a large amount of money, none of their associates could be induced by them to undertake it. Knowing that some rapid and inexpensive means of transportation to the property must be provided if it were to be made valuable, James and G. A. Steel proposed that they would build the road if the company would guarantee them a subsidy, which, considering the benefits accruing therefrom, was very small. Their proposition having been accepted, they at once organized the Metropolitan Railroad company, with a capital of \$200,000, afterward doubled. This may be recorded as the pioneer application of electricity in this form—the Sprague system—on the Pacific coast, and it fairly indicates Mr Steel's enterprising and progressive spirit. The road is in very successful operation, is four and one seventh miles long, extending not only, as originally intended, from the southern limits of the city, but from G street through Second and other streets, the business part of Portland, and thence to Fulton park. It is the finest property of the kind in the city. Mr Steel contemplates important extensions of his company's road to the Riverview, Masonic, Odd Fellows', Grand Army, and Hebrew cemeteries, and ultimately to Oswego and Oregon city. The growth of this enterprise forms an interesting and important feature in the expansion of Portland and the development of its contiguous settlements. Mr Steel, the chief factor in this useful venture, contemplates with pleasure one of the special consequences of the extension of the road to the cemeteries; that is, the cheapening of the expense of funerals, which at present are often a serious tax upon bereaved persons of small means, who, having no other transportation at command than livery vehicles, feel that they must hire these in compliance with the prevailing mode of showing respect for the dead. Such a result will give his otherwise strictly commercial enterprise the character of actual charity, and

bring relief to many an unwilling slave to this conventionality.

One of the most important acts of the Oregon legislature, enacted in February 1891, was establishing the port of Portland, the object of which was to improve the Willamette and Columbia rivers, so as to make a channel from Portland to the sea of twenty-five feet in depth. By the terms of the bill, authority was given to incur an indebtedness of \$500,000, and to issue bonds to that amount. The act named a board of fifteen commissioners to have charge of the business, Mr Steel being one of that number, and when the board was organized, he was unanimously elected treasurer of the board.

Thus are briefly summed up the principal commercial and industrial activities to which James Steel has devoted his intelligence and energy for nearly thirty years in the Pacific northwest. His record is that of an extraordinary, successful, and useful factor in building for the community as well as for himself. It is a palpable fact that his personal success is not a selfish creation, but is a fair measure of the value his life has been to others. His labors have all been directly in the line of wholesome public improvement and the advancement of the common good.

It is not claimed for him that he is more distinguished than certain other prominent Oregonians in the size of his fortune or the scope of his enterprises, but he has earned an unquestioned place, and in the general estimate is ranked among the best and most respected business men of his state—a class of men whose superiors I do not believe can be found anywhere in the world. He started out upon his pioneer-ship with a worthy object in view, to accomplish which he would labor diligently, and as far as in him lay, with a conscience void of offence toward God and man. He put character into his work, with which failure is better than success without it. This is the chief lesson to be learned from his life. A stranger in a

strange land, unaided, without means, he contrived, by dint of hard, faithful work, to get a foothold among business competitors. He has had his ups and downs, but in the main has gone forward steadily, enlarging his sphere of usefulness in the community. His own advancement has never been at the expense of others. Despising indirection in whatever form, his course has been upright, his record clean. His religion, not one of phylacteries or theory, has been his discipline; without obtrusion or pretence, the world may not detect in his daily walk and conversation the light by which his feet are guided; it sees only that he walks in straight paths, striving to do his duty, and eschewing evil at whatever cost. None but those who, however, like himself, have experienced a change of heart and have become willing subjects of the higher law discern the spiritual man in him in conflict with and rising superior to time-saving considerations. Dating from his arrival in Portland, he has been a member of the First congregational church, the good work of which he has ardently participated in at every point, as one of its board of deacons, committeeman, and otherwise, in promoting the cause of charity, religion, and sound morality. In charitable work, apart from the church, also, he has always been liberal and active.

He was married in 1866, in San Francisco, by the Rev. Dr Stone, to Miss Mary Ladd, a woman of sterling character, a sister of W. S. Ladd, whose life also is a part of the history of Oregon. They have four surviving children—three daughters and one son, forming a family circle notable for its quiet elegance, refinement, and good works.

Mr Steel, in the season of mature manhood, is full of vigor, and gives promise of still adding much to what he has already accomplished for his own and the public benefit.

## CHAPTER XXI.

### LIFE OF DONALD MACLEAY.

PARENTAGE AND EARLY EXPERIENCE—ESTABLISHMENT OF CORBITT & MACLEAY—SALMON-CANNING ON THE COLUMBIA—INTEREST IN OCEAN TRAFFIC—COMMERCIAL ENTERPRISE—HIS BENEVOLENCE—MARRIAGE—CHARACTERISTICS.

DONALD MACLEAY is a man who has taken a leading part in the inception and management of numberless enterprises, and has aided in no small degree in developing the resources of the country. The Macleays take rank among the best families in Rosshire, Scotland. Its members were from time immemorial engaged in farming and stock-raising, from which many of them secured an ample fortune.

Donald Macleay was born at Leckmelm, Rosshire, Scotland, in August 1834, and received his education first under a private tutor, and afterward at the academy in his native town. In 1850 his father removed to Canada, where he began farming near the village of Melbourne in the province of Quebec. When twenty years of age he entered business with George K. Foster, a wealthy merchant at Richmond, and a man of large experience and business capacity. By his partner young Macleay was much esteemed for his sterling qualities, and to his sound advice he attributes in no small degree the success which he attained in after life.

In 1861 Mr Macleay visited Los Angeles for his health, and while there he met with a merchant named William Corbitt, who in 1866 went to Canada,



*Donald Macleay*





and proposed establishing a wholesale grocery, shipping, and commission business in Portland, Oregon. After several conferences the proposition was accepted, and during the same year the firm began its career under the style of Corbitt & Macleay, which name it still retains.

In 1870 the firm had acquired a leading position among the merchants of the northwest, with almost unlimited credit. In the same year they loaded with wheat for England the *Adeline Elwood*, this being with one exception the first vessel that ever sailed from Oregon directly for a European port with a cargo of cereals. In the following year several ships were consigned to them at British ports with railroad iron for Portland, and thence return with cargoes of wheat.

The firm was among the first to engage in salmon-canning on the Columbia, the product of which increased from 4,000 cases in 1866 to more than 540,000 cases in 1881. He was also individually interested in some of the first canneries established in Oregon. His firm was also the first that made shipments of salmon direct from Oregon to England, where vessels were loaded by their order with valuable cargoes of merchandise for Portland, and there reloaded with wheat, flour, and salmon for the return voyage.

Kenneth Macleay, a younger brother, was brought from Canada in 1869, and in 1870 got an interest in the firm.

In 1872-4 the firm purchased several vessels for the trade with China, Australia, and the Sandwich islands. One of them was employed in the lumber business, plying between Puget Sound, Honolulu, Melbourne, and Sydney, and another, named the *Mattie Macleay*, after one of his daughters, was engaged in the sugar trade with the Hawaiian islands. Meanwhile it was agreed between the two partners that each one should withdraw from the business a certain yearly amount for investment in real estate. Mr

Macleay's purchases were made entirely in Portland or its vicinity, and selected as they were with the judgment and foresight for which he is noted, it is almost unnecessary to say that they have increased enormously in value.

Mr Macleay has aided largely in the development of his adopted state by encouraging the legitimate investment within it of large amounts of foreign capital. For many years, and until the institution ceased to exist, he was local president of the Oregon and Washington Mortgage Savings bank of Dundee, Scotland. Later he became a director and chairman of the local board of the Dundee Mortgage and Trust Investment company of Scotland, a large and influential corporation, whose loans in the northwest have already run far into the millions.

He is a director in the Oregon and California Railway company; in the Portland Coast Steamship company, whose vessels run from southern Oregon to Puget sound; in the Portland Telephone and Electric Light company, of which he was one of the promoters; in the Anglo-American Packing company at Astoria; in the Salem Flouring Mills company; the Portland Cordage company; the North Pacific Industrial Association; the Portland Mariners' Home; and the Alaska Gold company, an English corporation.

In former years Mr Macleay was a director in the Portland Flouring Mills company, the Oregon Flouring Mills company, the Ocean Ship company, and the Oregon Southern Improvement company. He was also vice-president of the Oregon and California Railroad company. Finally his firm became the general agents for Oregon, Washington, and Idaho of several of the largest insurance companies in England, including the Imperial Northern, London, and Queen, representing an aggregate capital of \$42,000,000.

In all the above associations Mr Macleay is or has been a stockholder. With some he has been closely

identified, devoting to them all the resources of his versatile ability, and more of his time than could well be spared from the claims of his own business, sometimes even to their affairs. To others he has subscribed and rendered assistance merely because he believed them to be enterprises that would tend to the benefit of the community, and as soon as he could withdraw from them his personal supervision, was not slow to avail himself of the opportunity.

Amid all the multiplicity of cares and responsibilities entailed by such vast and varied interests, he has found time to devote to the commercial affairs of Portland, and in recognition of his efforts in this direction was elected in 1881 president of its board of trade. Ever since that date he has been reëlected each year by acclamation, thus being placed beyond dispute at the head of the mercantile community during the most prosperous period in the history of the city. Of the measures which this board has adopted, and their influence on the commerce of the state, no mention is here required, but the good work which it has accomplished is largely due to the earnest and unremitting attention of its president.

While thus absorbed in business, Mr Macleay has not neglected the social duties and pleasures of life. Until recent years he was president of the British Benevolent and St Andrew's societies of Portland, to both of which he is still a liberal contributor. Appointed one of the charter members of the Arlington club, composed of Portland's foremost citizens, his popularity won for him later the election to its presidency.

In 1878-9 he made a tour of the world, the trip being of thirteen months' duration, but in most of his travels business is combined with pleasure, for his interests in several European cities often require his presence. In March 1869 he married Martha, the only daughter of Mr John McCulloch of Compton, Canada, to whom he was engaged before leaving

Richmond. Though a native of the Dominion, his wife was of Scotch descent, her father and her ancestors being land-owners, farmers, and stock-raisers, as were those of her husband. The lady survived but a few years, and after her decease, on the 22d of November, 1876, was mourned by many true and earnest friends, whose heartfelt condolence relieved somewhat the bitterness of her husband's sorrow, and who still extend to him their sympathies. A devout Christian, she possessed in an eminent degree the virtue which ranks above all other graces, for her charities were not restricted to the church, but extended to all who were in need, nor has any one passed from earth whose loss has been more regretted by the poor amid this community.

Of their four children the two eldest daughters, Barbara Martha and Edith McCulloch, were in 1888 completing their education in England, and the remaining daughter, Mabel Isabel, and the only son, Roderick Lachlan, were attending school at Portland.

In all his relations in life, whether as a merchant, as a citizen, as director or president of associations in which vast interests were involved, or in the privacy of his home, his reputation has been that of a trustworthy and honorable man, one just in all his dealings, and void of offence toward his neighbor. He is, indeed, one of those men whose biography is closely identified with all that is best worth recording in the history of Oregon, and there are few whose deeds and character will leave a deeper impress on the annals of the state.

In physique he is a man somewhat tall of stature, erect in bearing, with broad shoulders, well-knit frame, and handsome, clear-cut features of the true highland caste. The light brown side whiskers and clean-shaven chin also serve to indicate that he is a native of the British isles. The broad, expansive forehead and deep-set, penetrating, blue eyes betoken remarkable power and activity of brain, while in the

massive chin and firmly clasped lips are indications of unusual strength of will. His appearance is that of a man who at once attracts attention, of one whom success has not unduly exalted, and whom difficulties could not baffle; of one who has full control of himself, and is well fitted to take control of others. Still in the full vigor of manhood, and much younger than his years, with a hardy constitution unshaken by excess or sickness, he has yet before him many years of usefulness—years in which the ripeness of experience and the consciousness of a pure and blameless life will more than compensate for the freshness and elasticity of youth.

## CHAPTER XXII.

### COMMERCE—CALIFORNIA.

UNDER SPANISH AND MEXICAN RULE—ADVENT OF FOREIGNERS—COAST PEDDLING AND SMUGGLING—DURING THE FLUSH TIMES—NEW ERA IN OCEAN SAILERS—STEAMER TRAFFIC—PORTS OF ENTRY—RISE OF SAN FRANCISCO—POPULATION AND PRICES—SHIPMENTS OF GOODS—INFLATIONS AND REACTIONS—IMPORTS AND EXPORTS—SPECULATION—INSURANCE—BANKING—STOCK GAMBLING—CRISES—CONDITION IN 1890.

IN the northwest, trade stands were the strongest incentive to exploration and settlement, at the hands of Anglo Saxons and Slavs. Spain had less enterprise and allowed the opportunity to pass unnoticed even within her own territory of California, thus tempting foreigners to encroach and carry off the prize. The narrow commercial policy adopted in all her colonies was here also enforced. Intercourse with other nations was prohibited, and the colonists were not only cut off from markets which promised to enrich them, and restricted to the limited openings presented at the presidios, but the supplies from Mexico were small in quantity and variety, and for some time burdened with a duty of one hundred and fifty per cent., in addition to the extortionate prices ruling in Mexico. One of the pretexts for occupying California had been to provide a port of call for the Manila galleon; but its entry was irregular and the attendant benefit small. The opening of land communication with Sonora and New Mexico was forbidden as dangerous. The growth of the north-west fur-trade called attention to the peltry of California, whereupon the government hastened to secure the monopoly for itself, imposing such restrictions in



prices and disposition as to crush all enterprise in this direction, and to combine with inexperience and other drawbacks in producing failure.

The trade was now surrendered to the people, and duties and other exactions were largely removed. As a result several projects were inaugurated, only to find themselves crushed by the usual Hispano-American lack of enterprise, and above all, by the continued restriction of traffic to Spanish ports, virtually to the single port, San Blas. The demand here was so small that a little salt, salted meat, tallow, and occasional parcels of furs constituted the sole export wherewith to aid the settlers in purchasing goods from the regular supply ships.

Under such conditions people could not be blamed for yielding to the temptation of foreign traders, who, with the opening of the new century, began to supplement the over crowded north-west traffic with smuggling along the lower coast, and by engaging here also in fur-hunting, a pursuit neglected by the Spaniards. The crown sent cruisers to interfere, and as a stimulus to the trade, established intercourse with Peru; but the revolutionary war came to divert attention, causing even a suspension of the customary supplies to the province. Thus pressed by actual want, settlers and missionaries openly welcomed the Boston trading vessels, and the local authorities themselves were compelled to yield to the general outcry. The effect was to give a wide impulse to agriculture, notably stock-raising, to meet the now active demand for hides, tallow, and grain from numerous competitors, who in exchange provided an abundance of cloth fabrics, trinkets, and other articles of use and luxury. This intercourse had a marked influence upon the inhabitants, not only by forming a transformation in habits and dress, but also by inspiring more energy and enterprise, greater enlightenment, and more liberal ideas.

The inauguration of the republic brought a new era

also for commerce. The first foreign firm began business at Monterey under the name of McCulloch and Hartnell, representing Begg and company, of Lima. Gab and Robinson and others followed the example, and gave fresh activity to commerce by competing with the trading vessels, and keeping on hand a constant and varied stock of goods. Their traffic consisted chiefly of hides and tallow, but grain was sought for a time by the Oregon fur corporation, and for Alaska by the Russians, who during the revolution had encroached on the territory above Bodega, thence to carry on fur hunting and a general trade until the early forties, when the dwindling supply of peltry caused their withdrawal. Mexicans had not been blind to the advantages of California, and several promising schemes were ventilated, one for reviving the Asiatic trade and wresting the Pacific traffic from Anglo-Saxon hands, with Monterey as a great commercial centre; another, in connection with a colonial scheme, intended merely to secure the provincial trade; but, as usual, the Mexicans took no steps to carry out their projects.

Commerce being thus surrendered to foreigners, the authorities conformed by giving all possible facilities, in obedience to popular desire, and with only spasmodic regard for revenue decrees from Mexico, neglected as the province was by the federal government. Although subordinate harbors were capriciously opened and closed, permits could generally be obtained for entry. As a rule, however, Monterey remained the only legal port where ships must call to pay the duty, ranging from fifty to one hundred per cent. *ad valorem*.

The dependence of the provincial authorities on such revenue, enabled the supercargo frequently to dictate his own terms. Payments were mostly made in goods, which could readily be disposed of among the troops, or in exchange for produce. Coin, indeed,

was a rare article, so that the Mexicans had herein little advantage over the aborigines, whose shell money enjoyed a wide circulation in time of tribal supremacy. The padres were suspected of absorbing and hoarding most of the metallic currency, and they certainly never accounted for the sums, for instance, received from contractors during the late spoliation of the missions.

The lack of small vessels in the province made it compulsory to award the coast traffic to foreign craft. After arranging with the custom house at Monterey, they accordingly set out with the necessary permits to peddle their cargo from port to port, and receive in exchange hides and tallow. The operation required more than one visit to each locality, and the carrying of the hides to one place for storage and proper curing, so that two years generally passed ere the homeward trip could be undertaken. This loose system of trading enabled the captain to transfer cargoes at secluded points and sell several cargoes under one permit. When guards were placed on board the vessels they were readily won over with a bribe. Attempts at reform seldom went beyond the proclamation of a decree. Whalers, whose visits were eagerly invited, did their share in smuggling, and were at times allowed to join in the coasting trade under the usual conditions. The people on their side took every opportunity of evading the excessive imposts. The effort to protect the federal treasury, by giving special privileges for the introduction of goods from Mexico, also evoked mischief, for it was declared that dealers therein undersold the Boston captains, and as this implied fraud on the Mexican coast, the local authorities sought to check such importations. The real objection lay in the interception of the duty beyond the province, to the reduction of its revenue.

During the thirties the average number of vessels visiting the coast amounted to twenty-seven, of which seven were whalers, men-of war, and miscellaneous

craft, leaving twenty for trade, most of which made trips northward, or to the Islands and South America. The export trade was early in the forties estimated at \$240,000 and more, the largest item being hides. The imports can be only guessed at. The custom-house revenue during this and the preceding decade ranged between \$60,000 and \$75,000, which at the duty of 100 per cent would show a very small total; but smuggling operations more than doubled it. Americans paid about four-fifths of the duty. Of the export, San Pedro was credited with \$100,000, as nearest the great cattle ranges; San Francisco, to which all the region from San José northward was tributary, followed with \$80,000, while Santa Bárbara, Monterey, and San Diego figured for only \$25,000, \$20,000, and \$10,000, respectively. At San Francisco the Anglo-Saxon elements were concentrating, in sympathy with the increase of American settlers, and here the Hudson's Bay company opened for a time an agency, for the purpose of sharing in the general trade and accommodating their trappers in the interior valleys. After 1846 this city assumed the leading position as the port of entry; transient ships multiplied in response to the demands of enterprise and of a large military force. The imports from Honolulu also were estimated for 1847 at \$250,000, paying a duty of \$120,000; and yet the rate was reduced during the year to fifteen and thirty per cent on the value of foreign goods.

Trade had stimulated agriculture as regards a few staple products, but it had been a check on certain other branches. Thus, candles and flour were imported at a high rate, although tallow and wheat abounded, and so with daily products and lumber. The people were too indolent to prepare what could so readily be purchased.

The influx of Americans, under the United States, brought new life to trade as well as to industries, for

flour and saw-mills, fisheries and handicrafts sprang forward. Yet this was a puny step as compared with the gigantic strides to be imparted during the gold excitement. Everything assumed abnormal conditions and dimensions, and partook of the gambling spirit connected with mining and the bizarre extravagance produced by the sudden unfolding of wealth. The once quiet bay, rippled by only an occasional boat or at times by a vessel, became thickly sprinkled with ponderous hulks and towering masts; steamboats penetrated up the stately Sacramento and San Joaquin, startling the wild men and beasts from their haunts; camps sprang up on creeks and river bank, on ridge and plain; bands of prospectors opened trails in every direction, and mule trains and freight wagons wound their way across the valleys and along the ravine-indented slopes of the Sierra.

The first and most striking feature of the new development was the inpouring of fleets from all parts of the globe laden with passengers and goods, which within a few months raised San Francisco from an unpretentious village to a centre of maritime commerce. The United States were thus placed a half century in advance of the other nations in mercantile enterprise. For the year ending April 1850 over 1,100 vessels were reported, of which at least one half were American. They were generally abandoned immediately on arrival and left to swing at anchor untenanted, often with cargoes undisturbed, after the market became glutted. Some were sent up to the river towns in order to save the rehandling of goods; others were hauled ashore to be converted into stores or broken up, and many a one rotted and sank at her moorings. It was not until far into 1850 that the sailors, disappointed in the mines, returned to San Francisco, so as to permit the engagement of crews for sending the vessels on their way. After this the arrival of sea-going ships fell off under the competition of the Panamá and Nicaragua steamship lines, and



with the decline in placer mining and consequently in immigration after 1853, the tonnage decreased to the low figure of 147,000 tons in 1857-8. Then a revival set in, stimulated by the development of agriculture and manufactures, under which the tonnage rose for 1881-2 to over a million, employed largely in carrying wheat.

The civil war and the transcontinental railway served as a check on American shipping, although still leaving it far superior to any one foreign nation. The general traffic has throughout shown an almost uniform increase, under the growth of coast and river fleets, in consonance with spreading settlements.

The length of the voyage round Cape Horn, and the impossibility of carrying a sufficient supply of coal, favored the use of sailing vessels rather than of steamers, while the value of time and the high prices obtained for goods caused the clipper model to be used for ocean transport. Thus the route between the Atlantic ports and San Francisco was traversed by a line of stately ships, with a large spread of canvas, which eclipsed all rivals in beauty and speed. The passage from New York was reduced from an average of five months to below ninety days for occasional trips, and the high rates of freight at that time prevailing often paid the cost of the vessel in two or three passages. The return voyage was sometimes made in less than 11 weeks, to Liverpool in 13 weeks, and to Sidney in less than 40 days.

Another revolution in ocean traffic was the employment of steamers for the freight and passenger traffic between the ports of the Pacific coast, and many were especially built for this purpose. Early in 1851 four-score vessels, measuring 19,600 tons, were connected with California, 23 of them plying on the high sea from San Francisco to various ports toward the north and south, while the principal line connected with Panamá.



When, in 1849, California was declared a collection district, San Francisco became the sole port of entry, with delivery ports at Monterey, San Diego, and on the Rio Colorado, the last for military purposes. For so extensive a coast line, with its numerous mining camps and unfolding resources, this limitation seemed impolitic, and a number of towns joined in appealing for entry privileges. As an experiment they were conceded to Sacramento, Stockton, Benicia, Monterey, San Pedro, and San Diego; only to be withdrawn after a few years, owing to the insignificant trade, partly because captains objected to the danger or extra cost of reaching these places. San Diego, which stood highest among them, was restored as a port of entry in 1872. Nine years later its import trade exceeded \$350,000.

San Francisco remained the undisputed metropolis, not alone for the state but for a number of adjoining territories. For this it was fitted by geographic position, in commanding the outlet to the leading harbor on the coast, to which were tributary so many rich valleys, broad rivers, and converging roads. The site had more than a century ago invited the erection here of a presidio and mission, whose official requirements, with their supplies and traffic, drew hither enough vessels to warrant the foundation of the village Yerba Buena, a name subsequently changed for the more widely known designation of the bay and presidio. These advantages outweighed greatly the drawbacks of poor landing places, lack of water and farming land, and the growing inconvenience of communication with the main settlements now rising in the interior. Thus when, in 1849, the inflowing fleets stopped here to empty their myriads of passengers, their cargoes and merchandise, her future was at once assured.

Buildings rose with the influx of gold seekers, at first mere cabins, fringed with suburbs of tents; then came more substantial edifices, after several destruc-

tive conflagrations. The surrounding ridges and the trade-inviting fleets, directed business to shallow water-lots, until block after block extended into the bay, for which the sand-beds in the rear provided fillage. The city encountered many a shock during the changes which befell the country. In 1853 the growth of agriculture made itself felt in the partial exclusion of foreign staple provisions, and trade was so greatly disturbed as to bring about the crisis of 1854-5. In 1858 the Fraser river excitement reduced real estate to half its value for a time, not only in the metropolis but in many other parts of the state. The civil war on the other hand gave an impulse, especially to manufactories, which centered here as the chief depot for raw material, as the point where could be obtained most readily the cheap labor of the docile and industrious Chinese, without which many an industry could not have been started or sustained, and as the great mart and focus for traffic on the coast. The completion of the transcontinental railway brought on a panic, rather than the long-expected blessings, for the value of such blessings had been anticipated and discounted, and much of the trade hitherto coming through San Francisco was distributed along the route of the railway. The city retained her position, however, and the railway system brought her new tributaries from far and near, their volume swelling with the development of industries. The Nevada mines fostered the chronic inclination for gambling, with attendant inflation and peril to the well-being of the community, and final disastrous collapse, accompanied by a severe drought, anti-Chinese riots, and general depression. In 1881 came the revival which gradually developed into an era of unparalleled prosperity. The adjustment of land-titles and the introduction of cable cars, have also aided in removing the chief obstacles which once hampered growth.

The city now holds undisputed supremacy, possess-

ing as she does the only good harbor along a coast line of thirteen degrees in latitude, the great outlet for some of the richest of valleys, the centre of numerous railway and steamship lines, which connect her with the eastern states, the Orient, and Australia, and promise to add still further to her prosperity, as the great entrepôt of the west. Here are the principal manufactures of the coast, sustained by a wide range of tributary territories ; here, also, is the social centre, with its numberless attractions, its institutions for promoting culture, entertainment, and comfort, its bracing climate, its handsome buildings, and its elegant homes. Hill-enthroned and sea-girt, she reigns the queen of ocean and inland waters, the model for states and nations on the shores of the Pacific.

To other towns, however, no small portion of the trade of California has been accorded. Sacramento forms the focus for the railway system of the northern valley, the distributing point for much overland traffic, while by her central position, she is well adapted for the capital. Stockton holds the key to the southern valleys. Vallejo still aspires to a greater future, and here and at Port Costa grain shipments are made which rival those of the metropolis. Oakland also enjoys a portion of this business, favored by a railway pier leading out to deep water, and her eastern suburb expects in due time to obtain its share of traffic. Along the rivers are numerous small shipping points, and on the coast Crescent City and Humboldt bay have become entrepôts for the mines and for a growing lumber and agricultural region. To the southward the port of Santa Cruz is the centre of a considerable traffic. Los Angeles has long vacillated between San Pedro, Wilmington, and other anchorages for the accommodation of her rapidly increasing commerce, though San Diego, now an important railroad centre, has secured a portion of her trade, and is constantly gaining more tributaries eastward and in Lower California.

In connection with the commerce of California must be considered the causes which have led to its development, the fluctuations in prices, the eras of financial prosperity and of financial disaster, the effect of the civil war, of mining and stock speculations, of the unfolding of her agricultural and manufacturing resources, together with some account of her banking and insurance companies, her coinage and her mints, and other matters related to her commercial system.

The immense influx of population that followed the gold discovery, was of course attended with a corresponding inflation in prices. Within a few months a hundred thousand adventurers were added to the inhabitants of California, covering her peaceful valleys with mining camps. All of them must draw their supplies from San Francisco, although that city was at first but ill prepared to feed and equip so vast a multitude. Even after supplies came in more freely, and local production assisted to fill the central markets, the abundance of gold bred a wasteful extravagance which served to sustain the former rates. In more remote localities values were maintained by reason of the lessened competition, and by the want of transportation, which, during winter, was often interrupted for weeks at a time. The fancy price of a dollar per pound for most articles of necessity prevailed widely in early years, with an occasional advance to still higher figures.

In San Francisco prices reached their highest point in the middle of 1849, before cargoes had arrived in sufficient number to meet the demand. Flour and beef brought over \$50 per hundred weight; certain articles, like eggs and apples, cost \$2 and \$3 apiece; tacks, cotton cloth, and the like, sold at exorbitant rates; lumber stood at \$600 per 100 feet, and the cost of a brick house was estimated at \$1 for each brick. Common labor was \$1 an hour; artisans obtained from \$12 to \$20 a day. Drinks cost 50 cents, and this was the smallest coin recognized for some time by traders.

The commercial circles of the world became excited at these quotations. Like the gold-seekers, merchants and speculators were inspired with visions of wealth. Anything was deemed good enough for such a wilderness, and old and shop-worn goods were raked from dusty shelves and shipped to San Francisco without regard to suitability or the state of the market. The first shipments realized enormous profits; but the aspect soon changed as cargoes poured in. There were few wharves or warehouses; storage and handling were costly, and shipmasters clamored for freight money and release. The only recourse was to sell the cargoes at auction, until the markets were glutted and goods became unsalable. Some were left to rot with the deserted vessels; others were cast out from warehouses to serve for fillage. Periodical fires swept away portions of towns and cities. Bankruptcies came in rapid succession, culminating in the panic of September 1850.

The continued migration to the gold-fields and their growing yield revived confidence, and roused by the lessening imports, speculators rushed in anew to recuperate themselves, only to lower prices upon the report of further shipments. They were burdened at the outset by high freights and several conditions interfered with reliable calculations, notably distance, which involved a period of six or eight months between the sending of an order to the eastern states and the arrival of the goods by way of Cape Horn. Shipments were, moreover, made from all quarters of the globe, of which only imperfect notice could be obtained. The vessel which, under favorable circumstances, came first into port might realize a fortune, and leave only loss and ruin for those following. The sweeping fires in San Francisco and elsewhere created sudden gaps and demands; droughts and floods, obstructions to intercourse, and frequent movements of population also affected the market. Local jobbers and the people at large were the gainers in being able



to profit by declines, and nearer supply points, like Oregon, the Islands, and Chile, were able to take advantage of rising markets.

Fluctuations of this character and origin continued to mark the following years. Thus, in the latter half of 1852, prices for staple supplies rose to four or five times the rates ruling twelve months before. The following year proved most prosperous in agriculture as well as mining industries, and San Francisco, feeling the improvement, launched forth into substantial building enterprises, only to encounter a reaction, marked by vacated houses and offices, and culminating in the severe crisis of 1855. The growth of agriculture signified for the metropolis a decline in trade amounting to millions. The importation of grain and flour which, in 1853, alone represented about \$8,000,000, was entirely dispensed with three years later, and many other commodities suffered in like manner. Add the corresponding decline in the shipping business, and in the business of traders, warehousemen, and handlers of freight, and the reaction is explained. The effect was to establish a more correct standard for trade. With increased warehouse facilities, and cheaper lighterage and rates of wages, merchants were able better to manipulate stocks of goods and control prices. The opening of the winter season, with attendant revival in mining and navigation on the upper rivers, had so far been the signal for trade activity, and now with the unfolding of agriculture came an enlarged spring demand, followed by a busy autumn.

Imports corresponded in their nature to the changing social condition of the country. The quiet pastoral people of colonial days required a different class of goods from those which the camp dwellers of flush times demanded. The former preferred cloth and ribbons, trinkets and notions; the latter, salt meat and flour, beans and coffee, sugar and dried apples; but the abundance of wealth called for luxuries of



every description. With the rise of agriculture the importation of staple provisions decreased, while the growth of family relations brought a large variety of other goods into use, for female attire and domestic purposes. The introduction of farming and quartz-mining opened wider fields for the use of machinery and other aids for the unfolding of resources.

The civil war disturbed production, retaining a larger amount of raw material for home consumption; while it also impeded the introduction of goods from the eastern states, and compelled California to fall back upon her own resources, stimulating manufactures or calling for foreign products. A few years later the opening of the transcontinental railway revived the demand for American goods of a finer grade, while the manufacture of the coarser qualities increased throughout the state, favored by cheap Chinese labor and other causes. The growth of population, particularly of settled families, with attendant home comforts, and the opening of adjoining territories, tributary to San Francisco, tended further to sustain imports. Their value for 1856 has been estimated at \$36,000,000, of which somewhat over \$7,000,000 were from foreign countries. During the war foreign imports reached \$20,000,000, and after fluctuations this figure was doubled in 1872-3, under the prevailing mining excitement. In 1881 the total importation was placed at over \$67,000,000, of which \$38,000,000 was from foreign countries, paying \$7,450,000 in duties. Nearly one-half came from China and Japan, one-sixth from the Hawaiian islands, and one-tenth from England. Of American goods fully one half were forwarded by railroad and consisted chiefly of fabrics and other compact merchandise. By sailing vessels arrived more bulky commodities. The elimination of food-staples after 1853 reduced by one half the fleet from the Atlantic coast within the space of three years. The same cause diminished the once considerable traffic with Chile to insignificant proportions.

Trade with the Orient has been sustained because most of its products cannot be procured elsewhere. Europe has been largely supplanted by the eastern United States. From the coast northward the supplies consisted chiefly of coal and timber.

In colonial times hides and tallow formed almost the only articles of export, and together with wool continued to maintain a place on the list after the gold discovery. The reshipment of imports assumed large proportions, for San Francisco promptly established herself as the great entrepôt for the coast. Quicksilver rose to a leading position, and by 1855 grain and flour exceeded in value any other article of export save treasure, which amounted to \$45,000,000, or ten times the total of the others. Early in the seventies cereals had overbalanced the export of metals, which in 1873 stood at \$31,000,000 and \$25,000,000, respectively. After some fluctuations treasure shipments from California fell below \$20,000,000, supplemented by a smaller amount from Nevada, while merchandise rose by 1882 to \$55,000,000. The foreign exports from San Francisco now exceed \$40,000,000, the chief item being wheat, of which in 1881 nearly a million tons were shipped, worth about \$31,000,000, besides flour to the value of \$5,000,000. Shipments of fruit, canned goods, and wine are growing in volume; barley, refined sugar, explosives, lumber, and machinery materially swell the list, as do wool and quicksilver, though in smaller amounts.

Half the total of domestic merchandise and one-sixth of the bullion goes abroad; the rest is sent inland and to the Atlantic states. England is the principal foreign customer, taking one-half of the total shipments abroad, chiefly in wheat. The Islands follow with a varied list; China prefers flour and silver; Mexico demands mining machinery and quicksilver. Coast traffic has been fostered by the mines and settlements, and the position of San Francisco as the

great distributing point, as shown by the increasing fleet of steamers and sailing vessels. The causes which are tending to diminish imports, as reduced wages and the growth of industries, help to augment the surplus for export. The civil war proved a stimulating factor by giving men self-reliance; and the mines here and in the adjoining states enlarged the markets and brought in laborers, who in due time joined in developing agricultural and other resources. Additional markets are opening before the advent of railways, and the increase in competing lines to the eastern states permits the shipment of fresh fruit, as well as of many other articles, the sale of which before depended on the home consumption.

Speculation was in the flush times stamped by the gambling spirit born of the gold discovery, and of the extravagance attending the sudden unfolding of wealth. Men revelled in great projects and hazardous operations, preferring great risks to the gains of plodding industry. Ever expecting some happy stroke of fortune, they met disaster with a smile, and emerged undismayed from the financial crash or the ruin of the conflagration, intent only on fresh undertakings. The abnormal conditions then ruling, and the difficulty of forecasting the future, placed accident above calculation. The first ship in port, or the sudden demand for a particular kind of goods, owing to fires, to the delay of vessels, or other cause, would bring enormous gains. Nevertheless, shrewdness and observation made their mark, by watching the market, attending the forced auctions, and turning to interior markets for relief.

By maintaining agents at the chief mart, and communication with the camps, dealers at the interior entrepôts carried on a profitable trade, and country stores, with their small and varied stocks, ran little risk. Miners were the golden geese to be plucked, primarily by the storekeepers who followed their trail,

and indirectly by merchants, manufacturers, and carriers. They gained comparatively little by the enormous fluctuations in San Francisco, for the distributing avenues were numerous in the interior, and the combination of dealers and the cost of handling tended to sustain prices. Competition was naturally felt within the bounds assigned by the cost of transportation; but if one camp was well provided, the supply train could distribute its cargo in small lots at different diggings. The increase of light river steamers, and their ascent to the upper waters after the winter rains, tended to reduce the cost of conveyance, and consequently of goods. The extravagant and convivial habits of the miners, the prodigality of Mexicans, and the simple-mindedness of the Indians, opened prolific sources for revenue, which compensated for restrictions in certain directions.

The general disorganization and changes, the scarcity of reliable securities and firms of recognized standing, made trading hazardous. Towns, with their buildings uninsured, were at any moment liable to conflagration; fires, floods, and panics were ever pending, and the gambling mania was always rampant. Nevertheless, credit had to be extended, and that without stint, first owing to climatic influences on mining, which made the realization of months of labor dependent upon the brief rainy season. Later came speculative and lease farming, with advances in anticipation of the harvest, so that interior dealers must count upon many risks, which in turn extended to all branches of business. Honor became the chief security, and ranked high, partly because the readiness with which wealth presented itself reduced the temptation to fraud. With increasing pressure and the growth of the baser element amid the population, trickery grew apace. The distance from consigning creditors was great, evasion easy, and frequent conflagrations balanced many an account. The organization of the

Chamber of Commerce in 1850 brought remedies for many annoyances and indirections.

The general levelling of ranks affected the merchant. There were few business standards, or marked channels of trade. The field lay open for all, and the tempting fluctuations lured a host of speculators into the current, most of them to be engulfed. Firm after firm fell in rapid succession, crumbling into ruin, and clerks stepped into the shoes of their principals, only in their turn to fail, and be succeeded by others.

Gradually, as commercial regulations became marked, each branch of business assumed greater exclusiveness, and drifted to some extent into recognized localities. Commission merchants and bankers settled on Montgomery street; wholesale dealers followed the extending water-front into the cove; retail stores centered along Kearny street; Chinese dealers spread from Sacramento street west and northward. Few of the occupants of stores or offices owned their premises, although so large a proportion consisted of mere shanties, until the frequent fires led to the erection of substantial business blocks.

The absence of reputable consignees, the general instability of affairs, and the lack of warehouses, gave rise to that prominent feature of business at San Francisco, the auction house, within whose walls entire cargoes were disposed of at a moment's notice, and millions changed hands in the course of a month. They were well adapted to the California temperament by their off-handed proceedings, their readiness of access to all persons, and their prompt and time-saving methods, which offered a ready resource during ever threatening disasters.

Their petty imitators, the Cheap Johns, flourished in the so-called Jew quarter, at the foot of Commercial street, assisted by fictitious bids and loud-mouthed badinage. From this point issued many a boat-load of assorted goods, which found a ready market among the shipping.

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The requirements of commerce began as early as 1849 to demand special establishments for the banking business, so far carried on by mercantile firms. Naglee and Sinton opened on January 9th; Burgoyne and company on June 5th; then there were B. Davidson, as Rothschild's agent, Wright and company of the Miners' bank, T. G. Wells, and James King of William, of vigilance fame, who followed in and after September of that year. The last two represented eastern banks. The purchase of gold-dust alone was for a long time extremely profitable. At the camps the price was at first ten dollars per ounce, although San Francisco merchants were paying sixteen dollars; prices were determined by the assay value of the gold, which varied as much as five dollars per ounce between the products of the Yuba and the Mariposa diggings. In 1849 private firms began to issue stamped coin to replace gold-dust as currency, among them being the well-known fifty-dollar slugs. As adjuncts silver coins were imported, which passed at a much higher rate than their real value. In 1850 the government opened an assay office, under the care of A. Humbert.

Two years later came an appropriation of \$300,000 for a mint, which opened in April 1854, with L. A. Birdsall as superintendent. Twenty years afterward a finer and more commodious structure was built, in the Doric style. The coinage increased to nearly \$29,000,000 in 1856, and ranged between \$12,000,000 and \$22,000,000 during the sixties, after which the yield of the Nevada mines raised the output to as much as \$50,000,000. In 1886 it had fallen to half this amount, two thirds of the total coinage being in half eagles. Paper money was prohibited by law, and greatly to the benefit of the community, for a simple metallic currency has greatly modified the commercial crises that ever threatened a field so speculative as California, while her gold shipments have allayed many an eastern panic. Treasury notes have



been restricted in circulation under the specific contract act, which defines the currency in which payments are to be made.

Although fettered by corporation laws and by the restriction against issuing paper money, the operations of the banks were soon extended from the mere reception of deposits, and dealing in gold dust, to more important transactions. Their number accordingly increased. In 1850 appeared the firms of D. J. Tallant, Page, Bacon, and company, and F. Argenti and company, followed by several others, notably Drexel, Sather, and Church, and Adams and company, the latter as the leading express agency on the coast, extending banking facilities to every village of importance. The immense gold yield, the large importations and traffic, the rapid development of settlements, and the speculative characteristic of the people, all furnished vast opportunities for business. With different conditions, however, came other methods than those ruling in long-established centres, chiefly from the scarcity of reliable securities and firms of good standing. One result was an exorbitant rate of interest, ten per cent, and more, per month, being demanded even after 1849. In 1862 it declined to three per cent; and a rate of two and a half per cent per month was long sustained under the extensive and hazardous credit system applied to mining, agriculture, and other interests, which depended largely on seasons and yield. Several of the over-cautious firms were driven from the field. The new generation of banks widely accepted as security rapidly fluctuating mining stock, although with liberal margins. The Nevada bank, with a capital of \$10,000,000, was opened in 1875, chiefly to profit by such speculation.

Notwithstanding the many risks accepted, failures were at first not numerous, and panics comparatively rare. The first crisis, in September 1850, was brought about by glutted markets and conflagration,

and several banks collapsed. The second and greater crisis of 1855 was brought about by the change in commercial and industrial conditions. The diggings were declining and the mines rapidly passing into the hands of companies, so that thousands of miners were cast adrift to swell the labor market and lower incomes in all directions. Agriculture had been so far developed as to check the hitherto large importation of staple provisions, to the utter derangement of trade. In San Francisco the panic was marked by empty warehouses, tenantless offices and dwellings, falling real estate values, declining tonnage, and thousands of unemployed hands. The convulsion began with a run upon Page, Bacon, and company, who soon succumbed, involving a large number of establishments. In the metropolis alone 200 firms collapsed that year, with liabilities exceeding \$8,000,000, and assets estimated at less than one fifth of that amount. Thence the financial storm swept over the country, spreading ruin and disaster. The most severe blow was dealt through the failure of Adams and company, whose wide-spread branches involved thousands of small depositors, for the scanty assets were swallowed up, as in many other cases, by a few influential creditors and dishonest receivers, under the law giving to preferred creditors the privilege of securing themselves by early attachments. The panic extended into the following year, to count among its victims Palmer, Cook, and company, a banking firm which was justly censured for its neglect to fulfil its obligations.

The Fraser river exodus, and the severe drought of 1862-4, raised ominous though passing clouds, and the only subsequent disaster was that of 1877, to which contributed a failure of crops, inflated values of real estate, and a collapse in mining stock speculations. This species of gambling had become an engrossing vice among all classes of the population, taxing them by means of assessments and fluctuation

for the benefit of tricky managers who gained control of mines purely for fraudulent manipulations. Within two decades fully \$70,000,000 had been extorted for assessments alone, largely for worthless mines. In 1872 the sales reached \$200,000,000, and to this figure at the stock boards must be added a large volume of outside transactions. Within two years the two leading Comstock mines shrank \$140,000,000 in value. Commercial morality could not escape the infection and numerous firms and banks were endangered, notably the bank of California, the leading institution in the state, which suspended in 1875, through the fraudulent operations of its president, who squandered nearly the entire paid up capital of \$5,000,000. The stockholders, headed by D. O. Mills, promptly filled the gap, and restored the bank to its old position.

Among the ruins left by the crash of 1877 may be counted a number of savings banks, which properly date only from 1857, when the Savings and Loan society entered the field. The so-called savings bank established by Robinson sank out of sight in 1855. The disaster of 1877 prompted the appointment of bank commissioners, who weeded out the less stable among the twenty institutions then existing. In 1886 they numbered twenty-two, with \$70,000,000 in resources. The average deposit in 1878 was \$700. There were at this time seventy-four commercial banks, with resources placed at over \$189,000,000, half of which was in the shape of deposits. The business of the clearing house had risen to \$642,000,000, an increase of one-third since 1880, when the new constitution assisted to maintain the business depression by calling for largely increased taxation on capital. Many rich men departed, bank deposits fell off, and several banks reduced their capital. Investors now turned largely to government bonds and real estate, disgusted with their recent experience.

The crisis of 1855-6 was but the inevitable change

from the magnificent disorder of the golden period to the better regulated methods of a settled era, with its broad industrial expansion. On the ruins of mushroom firms rose the substantial houses of men trained and qualified by varied experience, under whose standard San Francisco outlived a storm of disaster and obloquy to become a model city politically and socially, and to assert her rank among the leading commercial centres of the world. The Fraser river excitement and the civil war deranged somewhat the condition of affairs, but the latter proved a golden harvest for dealings with the eastern states, where a depreciated paper currency prevailed. In 1869 the transcontinental railway also disturbed the channels of trade, by diminishing ocean traffic, and dividing the vantage of distribution, so far possessed by San Francisco, with a number of interior towns. The road cut off many industries, for which it partially compensated by reducing prices, adjusting values, and imparting stability to commerce.

The delusive mirage of flush times, reflected in the mining-stock gambling and inflation of the early seventies, received a salutary check in 1877. This final crisis purged business of many objectionable features, forced upon people more prudent habits, which gave material support to legitimate trade, and infused into business so healthy a tone that transactions for 1881-2 rose to unequalled proportions, while gathering strength for a new era of still greater prosperity.

San Francisco has reaped the benefit of the revival in the shape of augmenting manufactures, and converging railways, rendering adjacent states and territories tributary to her markets. The proportionately greater wealth among the people of the state, their enterprise and open-handed disposition, and the growing immigration of a superior class tend to promote a lively condition of trade, far above the average of the eastern states. The prospects are bright for still wider expansion in view of the new horticultural era.

with its vast possibilities. Eastern markets are opening even wider fields for the choice products of California; the increasing settlements inward and along the coast northward figure as customers still more assured; and southward and beyond the ocean a commerce has been established with foreign nations that promises to assume magnificent proportions.

Notwithstanding excessive rates of transportation, San Francisco has advanced with rapid strides since the completion of our overland railroad systems, and that in the face of the competition engendered by the railroads in fostering interior sources of distribution and supply. To the numerous lines that center within or near her borders is largely due her mercantile supremacy, and it is probable that they have done more to develop her commercial interests than all other influences combined. Moreover, they have changed the conditions of trade, have established new industries, and have given to those already established a wider field than they could otherwise have enjoyed. Take, for instance, our fruit-growers, who in former years were restricted to local markets, and have now at their command the markets of the eastern states; and so with other branches, nearly all of which have been benefited in greater or less degree. To the railroad it is mainly due that California has become the largest wine-producing state in the union, the largest producer of raisins, olives, and honey. Before its advent comparatively little was accomplished in the development of interior cities, of internal commerce, or of agricultural settlement. For travel and transport we depended on sea and bay and river and rough wagon road, while to-day the locomotive brings to the remotest village in the land products gathered from every quarter of the globe.

Of the progress of California since the building of our first transcontinental thoroughfare the following figures may serve as indications: In 1870, with a population of 560,000, her real and personal property



were assessed at \$385,000,000 ; in 1890, with a population of 1,200,000, the assessment was on a valuation of \$1,060,000,000, or an average for the latter year of nearly \$900 per capita. Meanwhile overland freights through the Central and Southern Pacific to and from eastern and Californian terminal points had increased from 174,000 tons in 1875 to 640,000 tons in 1889, with foreign imports by sea for 1890 of \$46,000,000 and foreign exports of \$40,000,000. From \$66,000,000 in 1870 the manufactures of the state increased to \$160,000,000 in 1890. From \$517,000,000 in 1877, the operations of the San Francisco clearing house, established in the previous year, had grown in 1890 to \$846,000,000, and sales of metropolitan real estate from \$12,000,000 in 1870 to \$36,500,000 in 1890, with 1,500 new buildings erected in the latter year, at a cost of \$11,000,000.

A feature in the recent commerce of California has been the steadily increasing shipments of wine and fruit to eastern cities. In 1890, 11,570,000 gallons of wine were forwarded from San Francisco by rail and sea, or more than the entire receipts, though leaving the market well supplied with stock from the surplus of former years. For 1880 exports did not exceed 3,000,000 gallons, thus showing within the past decade nearly a fourfold gain. While the bulk of our wines is shipped to New York, an outlet is also found in the Hawaiian islands, Mexico, Central America, Great Britain, and other countries, in all of which there is an increasing demand. Of green fruit there were shipped to the east in 1890 52,500 tons, and of dried fruit 33,000 tons, against only 2,600 and 300 tons respectively in 1880. Shipments of canned salmon were also on an extensive scale, amounting for 1890 to 458,000 cases, valued at \$2,177,000. England was our best customer, taking from us 249,000 cases, against more than 350,000 in each of the two preceding years, the decrease being due to an overstocked market. Then came New York, with 138,000



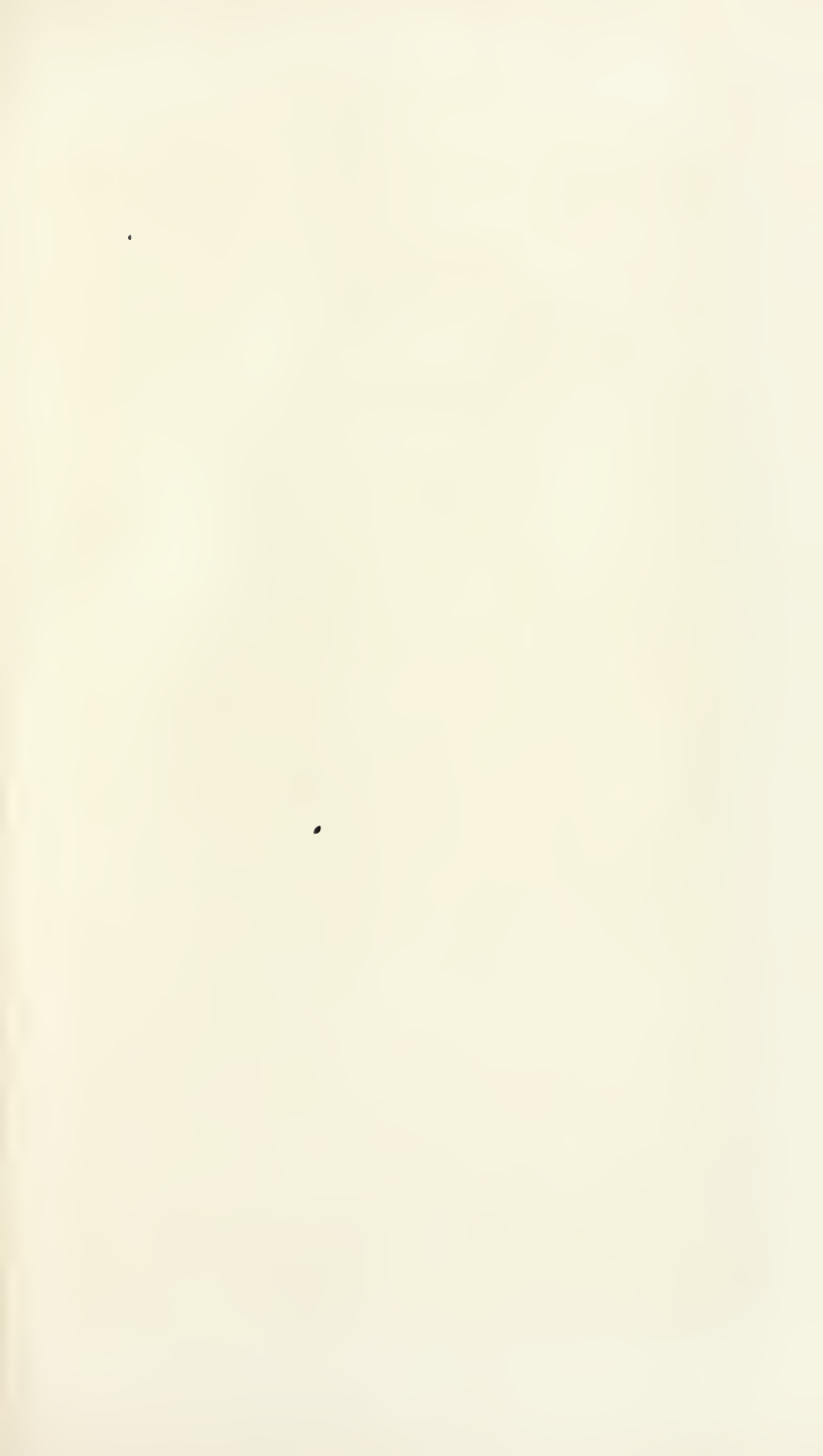
cases, followed by Australia with 38,000, and New Zealand with 12,000. Among other staple exports were 13,300,000 centals of wheat, of which 11,500,000 were shipped to Great Britain; 1,200,000 barrels of flour, mainly to England and China; and 11,000 tons of wool, the last being perhaps the only commodity whose export decreased within the decade.

While the year 1890 was in the main a prosperous one for California, not only as to the products of the soil, but as to their sale at remunerative prices, it must have been especially so for the overland railroads, the statements of their directors to the contrary notwithstanding. In the autumn of 1891, when asked to make a slight reduction in the rate on canned fruit, the manager replied that his company was losing money on much of its California traffic, that instead of lowering rates it was a question whether they would not be compelled to raise them. And yet we find that for the fiscal year ending with November 30, 1890, more than 288,000 tons of eastward-bound freight were forwarded over the Southern Pacific system, against 234,000 tons for 1889. For the former year the principal articles were, in the order named, sugar, canned goods, wine, dried fruits, potatoes, raisins, wool, beans, salmon, and hops. For either year little more than one half of the total was credited to San Francisco, the remainder being distributed between Sacramento, San José, Los Angeles, Stockton, Colton, Oakland, and Marysville. Movements by sea were also on a liberal scale, though restricted somewhat by scarcity of shipping, 560 vessels clearing from San Francisco in 1890 for Atlantic and foreign ports, against 330 in 1880. By sea and rail over 81,000 passengers arrived in the former year, with 63,000 departures, or a net gain to the state of more than 18,000 inhabitants.

Except for a brief period of real estate inflation at a few points in southern California, the decade ending with 1890 was marked by an absolute freedom

from speculation, whether in mining stocks, realty, or articles of commerce. In former years transactions at the stock exchange often amounted in times of excitement to several millions of dollars a day; they are now but a few million dollars a year, and limited mainly to professional stock-gamblers, to those to whom stock-gambling has become a second nature. The result has been a steady growth in the prosperity of our financial institutions, and without any further additions to their number than was warranted by the increase of wealth and population. In 1890 the number of savings banks in San Francisco was the same as in 1880, but with more than double the amount of deposits; six commercial banks being added meanwhile to the eight before in operation. On the 1st of January, 1890, the resources of all the banks in California were stated at \$226,000,000, with nearly \$50,000,000 of paid-up capital, \$149,000,000 of deposits, \$160,000,000 of loans, \$17,650,000 of cash on hand, and reserve funds amounting to \$18,600,000. That their business was in a healthy condition is shown by an increase for 1889 of \$11,500,000 in their joint deposits, and \$12,500,000 in their resources.

Such was the commercial and financial condition of California, and of her metropolis, at the beginning of a cycle which, with the rapid unfolding of our resources, promises to surpass any previous period in all that tends to the welfare and prosperity of the commonwealth. Under the fostering influence of railroads, our industries, and with them our commerce, have expanded with marvellous rapidity, and yet with a healthy and permanent growth. Meanwhile, at interior points cities and towns have sprung up, many of them already large distributing centres, which to these railroads, as arteries of trade, are indebted for their very existence. Of some I have already spoken, and of others mention will be made in another volume of this work.





*Adolph S. Rupp*

## CHAPTER XXIII.

### LIFE OF ADOLPH GUSTAV RUSS.

ANCESTRY—EDUCATION—SEVENTH NEW YORK VOLUNTEERS—VOYAGE TO  
CALIFORNIA—PURCHASE OF CITY LOTS—MINING—RUSS GARDENS—  
CHARACTERISTICS.

I HAVE already discussed, in a general way, the cosmopolitan elements out of which California is formed, and which give to this community an individuality all its own. I come now to inquire more particularly into the life of one of those argonauts to the aggregate of whose intelligence, enterprise, and courage we of to-day largely owe the civilization of which we boast. I refer to a retiring, unpretentious man, neatly but plainly dressed, who is better known in San Francisco among the old-timers than to the multitude who have crowded into the city in later years. He is of medium stature, erect, well-knit figure, gray hair, and dark complexion. His eyes are large and gray, reflecting at once integrity of purpose and good humor. In conversation his manner is quiet and refined; his voice soft and musical; in a word, a modest gentleman—Adolph Gustav Russ. His ancestors came from Hildburghausen, Saxony, where he was born January 19, 1826. His father, Emanuel I. C. C. Russ, was a plain man, without pretence, thoroughly honest, quick in thought and

action, a master mechanic, and one whose greatest care in life was the well-being of his family. He was a jeweller and silver-smith, and manufactured the pyrotechnics for the reigning duke, whose residence was at Hildburghausen. But about the year 1830 the court removed to Meiningen. He thus lost the most profitable branch of his business, and it became difficult for him to support his family comfortably by his trade alone. Moreover, he had long turned his attention to the United States, as a land whose free institutions offered opportunities for a man of ingenuity who was not afraid to work. In 1832, therefore, he took ship for New York city, where he resumed his trade. Within three years he had succeeded so well that he was enabled to send for his family.

Adolph attended school from five years of age until he was eight. He was a precocious boy, and learned to read and write in German, and began Latin. But except for six months' attendance at a public school in New York, this completed his schooling. Among his fellow-pupils he was always a favorite, and by his teachers he was highly commended. Landing in this country, not knowing a word of English, he was able, within a fortnight, to make himself well understood. A description which he wrote of the metropolis soon afterward brought him into notice as a lad of unusual promise. His education, in a technical sense, was thus cut off, but he has always been a reader and student of the best authors in the various branches of literature, and is a well-informed man. In after years, those who became acquainted with Mr Russ remarked the correctness of his English and its freedom from foreign accent, though he has not neglected the study and practice of his native tongue.

With the aid of the elder children, all of whom worked at some profitable calling—Adolph learning the trade of a morocco-case manufacturer—the elder Russ had become quite prosperous. In 1845, how-



ever, his store was plundered of all its valuables, none of which were ever recovered, and he had to start business again almost at the bottom of the ladder. It was not until the outbreak of the Mexican war that the family found an opportunity to better their condition.

Among the business acquaintances of Mr Russ was Colonel Stevenson, who at that date was organizing the Seventh New York Volunteers, for service in California. The former readily yielded to the solicitations of the latter. He would go to an absolutely new country with his family, and build up there, far removed from thieves and plunderers. He, with Adolph—then but twenty years of age—joined the regiment as privates; Christian and Augustus, both of whom were too young to enlist, were taken as fifer and drummer; all of the boys having a talent for music, and being more or less skilled in the use of musical instruments. Transportation was furnished the remainder of the family. Stevenson's regiment was a fine body of men. Many of its members became prominent citizens of California, in private life and the public service. After much delay it received sailing orders, and toward the close of 1846 embarked in three transports for San Francisco, or, as it was then termed, Yerba Buena. On board the *Loo Choo*, the Russ family arrived safely in port on the 26th of March, 1847, at which date the present metropolis of the Pacific consisted of a cluster of frame huts, with here and there an adobe building scattered around the neighborhood of Portsmouth Square. Nevertheless, Adolph was so impressed with the beauty of the bay and the advantages of the harbor, that, as the ship was rounding Clarke's Point at 5 o'clock in the afternoon, he said, "Father, this is going to be a great city." And the answer he got was, "We must buy some lots!" In the foresight of father and son, as shown in this conversation, I perceive the cornerstone of the family's fortune. For the purpose of

securing for their family such accommodation as the village afforded, they went ashore, and for the first night found shelter in the blacksmith-shop of Don Carlos Glein, where, rolled up in their military cloaks, they slept soundly until the break of day. In the morning they repaired to the alcalde's office, where each one acquired title to a 50-vara lot, by paying for the legal papers. With the lumber used for the soldiers' berths, purchased from the captain for a trifling sum, they built a small shanty. On the site partially covered by this little dwelling, erected during the pastoral era of the golden state, now stands the Russ House, at the corner of Pine and Montgomery streets.

At this date the village of Yerba Buena contained a population of about 250 persons, occupying some eighty buildings, of which perhaps twenty were places of business. Save for one or two public edifices derived from the Mexican government, and here and there a struggling fence, vaguely defining some nameless street, there were as yet no public improvements, if we except the filling up of the lagoon at the corner of Montgomery and Jackson streets. At the presidio was maintained indeed the dignity of military rule, and at the mission the dignity of the church; but among those who lived and trafficked on the shore of the bay dignity was not cherished. Land was held at merely nominal values. To every applicant a 50-vara lot was given, on condition that he builded thereon a house and enclosed it with a fence, though he could not obtain from the government more than this even by purchase. In the summer of 1847 several hundred 50 and 100 vara lots near the present centre of the city were sold for municipal purposes, at the rate of about \$16 and \$25 each. Others, for which forty years afterwards an offer of \$1,000,000 would have been treated with contempt, could find no purchasers, even at these prices. As streets were needed, they were cut through the sand-hills to the water-front, and on the summit of the over-hanging

sand dunes appeared a few cabins, built of the roughest lumber.

Adolph Russ, when gold had been discovered, set out with three others for the middle fork of the American river, where they arrived, after being in the saddle upwards of a fortnight, and encountering the peculiar hardships of that early day, without other mishap than a delay caused by the loss of their provisions. While engaged in prospecting he came to a spring overtopped by a weeping willow, in which there was a hornets' nest. He was washing the dirt, when he was attacked—not by the hornets, for being familiar with their habits he had made friends of them, but by a gigantic fellow. "This is my place," he exclaimed, "and you had better get out." Russ prepared to go, for he was a youth of slender build, and in no ordinary way a match for his adversary. But his movements were too deliberate to please the bully, who seized him by the collar and was lifting him to his feet, when Russ jammed his pan into the hornets' nest and let the entire swarm upon his enemy, who did not stand upon the order of going, but went, retiring at such a speed that, if not dead, he may be travelling yet.

After this adventure he found under an immense rock on the bank of the river what appeared to be lumps of corroded iron, but which he knew from their weight must be gold. From the first pan he worked out \$50, and in a few hours found himself possessor of four pounds' weight of dust and nuggets, worth upwards of \$800. Toward dusk he went in search of his comrades; but meanwhile their entire stock of provisions had been stolen by the Indians, and it became necessary for the party to proceed to Coloma for a fresh supply. The season being far advanced, Russ started back for San Francisco, intending to work the claim in the following spring. Before he had travelled many miles his horse broke down, and he was compelled to journey on foot. The soles of his boots

were worn out; foot-sore and covered with dust, he reached the American river, into which he plunged for a bath, having concealed his gun under a bush. While he was in the water a band of Indians approached, the chief of whom seized his blankets, while each of the others appropriated some article of his clothing. Russ hurried out for his gun, and levelling it first at the chieftain and then at each of the others who were packing off his raiment, the savages dropped the garments, one by one, and disappeared.

In the spring of 1849 he again started for the mines with a company of five, including his father and one of his brothers, fitting out and loading a whale-boat with provisions. Six weeks were consumed in reaching Marysville, or rather its present site, for as yet that town was not in existence. At the junction of the Yuba and Feather rivers they unloaded their boat and sunk it in the stream at a point where it was not likely to be discovered. Proceeding thence to a spot called Segar's bar, they met with fair success, obtaining on an average about an ounce a day to each of the party, in fish-like scales of purest gold. But in the first flush of the gold-digging times an ounce a day was considered no great return, as indeed it was not, in view of the value of skilled labor. The elder Russ went back to San Francisco. A few weeks later he was followed by his son, and as an instance of the cost of provisions and luxuries the following incident may be related: Calling with a single comrade at Captain Sutter's farm, he obtained a lunch of cold beef and potatoes, with two bottles of ale and one bottle of champagne. After their meal they asked of course for their bill. "Seventy-five dollars," was the reply! Sutter, whose hospitality was proverbial, and who was a friend of the Russ family, would have received them as his guests, but he was absent, and his majordomo charged them current rates!

For the elder Russ and his son Adolph this experi-

ence in mining appears to have sufficed. The former now worked at his trade as jeweller, the latter assisting him, and so well did they prosper by diligence and skill, that in 1850 the father was enabled to purchase seventeen 100-vara lots, between Bryant, Howard, Sixth, and Eighth streets, for the sum of \$8,500. On this tract, which was then a wilderness, he built for his family a residence, first constructing a road to the water-front for the purpose of hauling his lumber. On this property in 1853 were opened the Russ gardens, which until destroyed by fire in 1856 was a popular resort for recreation and amusement. Of the festivities and entertainments held there many among our pioneers still cherish a pleasing remembrance. The idea of building this suburban retreat was suggested to Mr Russ by his friends who went on a Sunday in large numbers to visit him at his home, and whom he treated right royally. "Why not," said they, "give the whole city the same chance for recreation, for which they will be only too glad to pay?" Other purchases were made from time to time as means and opportunity allowed; and now Mr Russ had securely laid the foundations of an estate which every year rapidly increased in value. Not only was he recognized as one of the successful men of the time, a far-sighted and capable if somewhat conservative man of business, but for his many sterling qualities, his goodness of heart, his charity, his benevolence, and his unbounded hospitality, of the true California type, he was held in esteem by all the wide circle of his friends and acquaintances. He died in June 1857. Never was the death of a pioneer more sincerely regretted than that of the head of this widely respected family. Of his children five accompanied him from their native town of Hildburghausen, and five were born in the United States. His daughters, Caroline and Eliza, are now deceased; the latter became the wife of C. F. Mebius, Bavarian consul at the time of their marriage. The surviving daughters, Emiline



and Louisa, are now Mrs Frederick Gutschow and Mrs F. O. Wegener of this city, each being the mother of a large family. Of his wife it should also be stated that she was devoted to her domestic duties, kind but firm as to the training of her children, and esteeming all effort in their behalf a labor of love.

After his father's demise, Adolph Russ and his brother-in-law, Mr Mebius, became his executors, the property being afterward divided among the children, except the original real estate purchased on Montgomery street, on which there stood the American Hotel and a large number of smaller buildings. This property was slightly mortgaged, and mainly with a view to cancel this indebtedness, by securing from it a larger income, Mr Russ determined to build the hotel which bears his family name, and in conjunction with his brothers and sisters, did so. The structure was commenced in 1861, and finished in the following year, at a cost of about \$350,000. When completed, with its 300 rooms and its accommodation for 500 guests, it took rank as the best, as it was by far the largest, caravansary in San Francisco, and was indeed the only one that could then be termed a first-class hotel. It was in every way successful from the beginning, and still maintains a marked popularity. The erection of this building was a noteworthy enterprise at the time. It has proved to be, also, a happy investment; though when it was planned there were many who considered it a very hazardous undertaking. For upwards of forty years Mr Russ was mainly occupied with his father, and afterward in the management of the Russ estate, although he has found time, in the midst of other engagements, for benevolent and charitable labor. Of the German hospital, established by his old comrade Joseph Nicholas Rausch, and now ranking among the best equipped and most useful on the Pacific coast, he was elected and served as director for many terms and as president for two full terms. Of the pioneer society and the Arion Club, the lat-



ter numbering among its members the best German citizens of California, Mr Russ is also a member, and until he recently withdrew, was an Odd Fellow in excellent standing.

Though averse to politics, except for the duty of aiding in the election of those whom he deems best fitted for office, in 1887 he accepted the democratic nomination for the state assembly, where in the following year he took his seat as a member. His purpose was mainly to procure the repeal of the onerous mortgage law then in force, and of a sumptuary law that was disagreeable to his constituents. He succeeded in the assembly, but his repeal bills were defeated in the senate. In his political views he is not a partisan. His leanings have been democratic, though he was a staunch union man, and voted for Lincoln; and as a friend of protection to our manufactures, he voted for Harrison as against Cleveland. Mr Russ was one of the earliest members of the vigilance committee of '56. He was active in his duties, and was in full sympathy with the movement until the committee gave up its organization.

November 30, 1851, Mr Russ was married by Judge Alex. Campbell, at San Francisco, to Miss Frances Simon, a native of Alsace, and one of the most estimable ladies in the queen city of the Pacific. Their surviving children are Lilie Caroline, Albert Hermann, Laura, Robert Rudolph, and Adolph Gustav, Junior.

Mr Russ possesses in full measure those qualities of heart and head which have endeared to us the best men among our pioneers; a man whose integrity has never been questioned, and whose ability and intelligence are of no mean order. He has always occupied a respectable place in the community. He is unobtrusive and void of affectation; by nature kindly and sympathetic. His religion is that of reason and humanity. He believes in a supreme controlling intelligence, but stops at that, regarding creeds and

dogmas, not as revelation, but as the invention of man. Simple in all his tastes, he enjoys no society so much as that of his wife and family, for whom, as also for a choice circle of friends, his fondness for music often affords a pleasing pastime. As to the aid which he has rendered in developing the material interests of his adopted land, it is evident that to men of his character we owe the advancement of California. On the roll of her pioneers there is no name more worthy, though there are others that are more conspicuous, than his.





*Joseph R. Hale*

## CHAPTER XXIV.

### LIFE OF JOSEPH P. HALE.

UNIQUE EXPERIENCES—UPS AND DOWNS IN CALIFORNIA—DARING EXPLORATIONS—AN INTERESTING WEED—CHARACTER AND HISTORY OF ORCHELLA—NAPOLEONIC STRATEGY IN COMMERCE—ACQUISITION OF LAND AND CONTROL—OBSTACLES SURMOUNTED—AMERICAN ENTERPRISE.

AMONG the men who have had part in building up the industries of the Pacific coast, there is no one whose history presents a more striking interest than that of Joseph P. Hale, who came to San Francisco by way of the Isthmus in 1852. He was still in his teens, a mere boy in years, yet fairly equipped for life in a new country. In New York city, from the age of thirteen years, he had worked in a large wine and grocery house, in which by attending strictly to business he had acquired a very useful knowledge of men and affairs.

Shortly after his arrival here he went to the mines. At first he wielded the pick and shovel, but he soon realized that hard manual labor was unsuited to his age and strength. He became a speculator in mines and undertook the development of placer claims, fluming, draining rivers, etc. He had his ups and downs, but he was neither exhilarated nor depressed. Although three times reduced in his resources before he was twenty-one years old, in each instance he recovered the thousands lost within a year and a half.

In 1858 he and an associate, with a joint capital of \$30,000, started for New Mexico to buy sheep and drive them up to California for a market; but an

insurrection prevailing in Sonora they made Lower California their objective point, intending to purchase cattle. His partner became dispirited on the way down, and withdrew from the enterprise, but Hale kept on, and won the distinction of being the first to make the trip, comparatively easy now, but dangerous and difficult then. The Peninsula was a wild region, infested by such men as had made the Mexican frontier notorious. The country was rugged and broken; the watering-places were far apart; the trails difficult and misleading, and the heat great. The drive homeward occupied over a year. More than one attempt was made to murder Mr Hale and drive off his stock, but he kept the men about him under good discipline, and was ever on the alert himself. On several occasions he owed the safety of his property and his life to presence of mind and moral courage. He made the first and second trip successfully, and then went into silver mining, in connection with which he kept a large supply store and dealt heavily in silver extracted by the natives by the *patio* process, which gives the metal its maximum purity. Up to this time this traffic had been exclusively carried on by Europeans. He took part in every industry that tended to develop the country. He was the first to manufacture white sugar, which he did in 1864, at San José, from which enterprise he withdrew in 1867, owing to the scarcity and the uncertainty of labor. Mr Hale had many narrow escapes. He had been ambushed and shot at several times; attacked by highwaymen; shipwrecked more than once; in fact, few have survived more dangers by land and sea. On more than one occasion his life would have been sacrificed but for his coolness and deliberation in emergency. His business and his explorations carried him often into remote places, where there was not only risk from exposure and hardship, but where marauders camped on his trail, ready to rob him or kill him, as they were beyond the reach of law.



He was a passenger on the ill-fated ship *Golden City*, which went ashore in a fog and was wrecked on the coast of Lower California, in latitude about  $25^{\circ}$  north, February 1870. When the ship struck, passengers and crew alike, extremely frightened, lost self-control and fell into a general scramble for the means of safety or escape. It was an emergency that put moral courage to the test. Great powerful men, in comparison with whom Mr Hale, who was of slight build, appeared like a stripling, forced themselves ahead of the women and children into the first boats that were lowered, while he, retaining his presence of mind in the midst of confusion and dismay, came to the relief of the captain, and some degree of order was restored. After all on board had been removed to the beach, he was furnished with three men and a code of signals, by the help of which during daylight, and by fires on a mountain during the night, on the fourth day the steamship *Colorado* was brought to their assistance, and took all the passengers back with her to San Francisco without the loss of a single soul. The heat on shore was intense, and for the first twenty-eight hours Mr Hale was without water or food. He had with him a scant supply of water, but for fear that the men whom he placed at signal stations might desert their posts if tortured by thirst, which would endanger the lives of all the shipwrecked people, he denied himself drink and gave the water to them. He suffered more than any one else on the parched and barren island on which they were cast, but the happy consequences of his coolness and fortitude more than compensated him for the extra hardships he assumed.

In 1871, John Howland, commander of a whaling-vessel from Nantucket, Massachusetts, going ashore in Magdalena bay for the purpose of taking in wood, discovered growing on the trees near the shore a parasite, which he knew from his experience in Ecuador and the gulf islands to be what in English

commerce is usually designated as orchella weed. It is a species of lichen which grows in sprigs, the leaves varying in length from an inch or inch and a half to three or four inches, growing from a common fibrous centre, which is attached to rock or tree. Its leaves bear some resemblance in color and outline to garden sage, and have a mild aromatic odor. The name in English has various forms, archil, orchil, and orchella; in Spanish, *orchilla*. The history of the plant runs back over two centuries. It is said that the revenues derived from it served to enrich and ennoble several families in Italy. The authorities differ not only in regard to the origin of the name, but as to the manner of its growth and the places from which it is obtained. Webster, the lexicographer, says it proceeds from rocks; other authorities from rocks and trees. The fact is it grows from both, the yield from rocks being insignificant in quantity as compared with the yield from trees. The encyclopedias state that orchella is obtained on the west coast of Africa, the Canary islands, Cape Verde islands, the west coast of South America and the Malabar coast of India, and do not mention a source of supply which has been recognized as important for nearly twenty years, and is now of greater importance than all others combined. I would call their attention to the peninsula of Lower California, where orchella is found on the coast rocks and within the region of fogs and heavy dews, growing from live trees of all kinds, from the ground to three or four and sometimes eight feet high on the trunk. The value of orchella is in its properties as a dye for coloring woolen fabrics, silks, and cashmeres; but it produces, also, a number of secondary colors. It is valuable as a mordant to stay other dyes, and to secure uniformity of color where other dyes fail. It is harmless, and in this respect preferable to aniline dyes, which are poisonous. Experiments are being made to test its value in the dying of cotton stuffs, with Mr Hale's encour-

agement, in New York city, where he hopes to see orchella manufactured in the future. Its manufacture has been confined to various places in Europe, each manufacturer keeping his process secret. This may account for the meagre information regarding the plant. Still it is well known that the dye is extracted by means of ammoniacal solutions. Captain Howland's discovery brought into the new orchella fields many competitors from many countries—men who had been dealing in the weed all their lives, and their fathers before them. Procuring vessels and boats, presses, and all other necessities from San Francisco, at a very large outlay Mr Hale entered the business.

Being the only person from an English-speaking country, all the South Americans, Mexicans, and Germans united against him to drive him out. They took his property, surreptitiously or otherwise, whenever an opportunity offered; they annoyed him in every way, demoralizing his laborers and forcing him into interminable and vexatious litigation. He was placed at a great disadvantage, having to contend against so many who were well versed in the laws and language of the country and had the sympathy of the people. Though Mr Hale stood well among the better class of Mexicans, and had been respected and well treated by them, the rabble, the pettifogging lawyers and lower officials and politicians never ceased to harass him, always led on by the South Americans and the Germans.

Seeing no immediate relief for him at home, he shifted the scene of action to the commercial market. Having had employed not less than 600 laborers in the orchella fields nearly two years, in order to protect his property against his enemies who employed even a larger number of laborers, Mr Hale continued his operations until he considered there was a sufficient supply in their warehouses, and on the way to Europe

by sailing vessels, to supply the demand for several years.

Then it was that he showed his financial ability. At once, and before his competitors had time to reflect, he threw on the market sufficient orchella to supply the consumption for over a year, and at such low prices that he lost heavily—but not one-third of what his antagonists lost. Owing to this cornering, their stock was thrown on the market at what could be realized for it by their creditors, which entailed upon them a loss of several hundred thousand dollars, breaking them up entirely. They soon fled the country and left Mr Hale master of the field. Afterward he bought from the government such land thereabout as he did not already possess, which made him one of the largest land-owners in the world—being the proprietor of 6,500 square miles fronting on the Pacific coast, and extending from latitude twenty-three and a half degrees to latitude twenty-nine degrees north, with beautiful bays and harbors.

A great portion of this immense estate is utilized in raising stock; some of it is cultivated and some of it produces the orchella referred to. Mr Hale has a town of his own where his laborers are comfortably housed, and he has commenced to build schools and churches for the colonists who are now emigrating there. The climate is delightful, no fevers or sickness of any kind. The heat is not excessive, the thermometer ranging in summer from 75° to 95°, and in winter from 55° to 70°. The atmosphere is balmy and clear all the year round.

He is at once the source of control and supply for a truly vast dominion. All that Lower California needs to make it a most prosperous and happy region is development. If its capabilities were realized there would be a current of men and women and children flowing into the country—of which Mr Hale is proprietor of the most valuable and attractive section—that would not cease until it was densely populated.

Its resources are such as to make it great, powerful, and opulent. The soil responds readily and bountifully to cultivation. Its yield embraces every product of the semi-tropical, and some products, also, of the tropical zone. It is the natural home of the vine, the fig, the sugar-cane, and the olive. Its cereal crops are abundant, even with the unimproved agricultural implements and methods now in use. The pasturage for horses, cattle, and sheep is good. As to the mineral deposits, there are silver, gold, copper, lead, and nitre; mining at great depth is unknown. Yet, worked in a crude way to a depth of two or three hundred feet, the mines have yielded an enormous quantity of bullion. The waters of the ocean along the coast and in the bays and inlets afford fine fish in great variety. Life is easy there. In one sense it is a poor man's country; with intelligent labor and capital properly directed it can be made to rival in fertility and beauty the garden spots of the old and the new world.

But to return to orchella; it is important to note that the yield in most regions is growing less and less from year to year; that in some districts it has become extinct, and that it cannot be reproduced as it is not susceptible of cultivation. Owing to carelessness in collecting the weed, mainly to plucking it too frequently, vast tracts have been made barren. Mr Hale having a great area at command gathers only the matured orchella, that is, the product from one-fourth of his land, the plant on each other quarter of the district maturing in the course of four years. Thus the time may come when his will be the only source of supply.

Mr Hale, having worked very hard for the last thirty years, is practical enough in his philosophy to stop now and rest. Having his affairs in Lower California fairly under control, he proposes to make his home for the remainder of his life in San Francisco—to the prosperity of which city he has contributed largely. He was among the first who chartered vessels from

this port to Lower California. He was the first American engaged in important commerce in Mexico who drew all his supplies from this city, to the trade of which he has contributed more than two million dollars. His investments in real estate in San Francisco and elsewhere in California are quite extensive. But he does not carry his fortune as a burden, nor is his head turned by success. He has travelled a great deal and having observed man in his highest as well as in his lowest estate, he recognizes no better distinction than that of honest, self-respecting American citizenship. Wherever he has travelled this country has been his pride.

The kind of man he is is best shown by his acts. I find him extremely modest, unpretentious, quiet and unassuming, seeming scarcely to realize the magnitude of his achievements. His face is a very thoughtful one, indicating power in reserve, deliberation, judgment, and an inflexible will, coupled with patience to labor and to wait. His manner is kind and gentle; his words mild but to the point. He is just such a man as the real judge of character would select as most likely to outlive the ingenious adversaries against whom he has had to contend. His associates are the best and strongest men of the community; they ascribe to him those qualities which compel respect and admiration. The facts of his experience present a picture of real life that is worthy the contemplation of every one who believes with Pope that the proper study of mankind is man, or who can agree with Carlyle in this: that "man is perennially interesting to man; nay, if we look strictly to it there is nothing else interesting."







*Geo. H. Bonetake*

## CHAPTER XXV.

### LIFE OF GEORGE H. BONEBRAKE.

CAUCASIAN RACE IN AMERICA—GERMAN IMMIGRATION—ANCESTRY OF MR. BONEBRAKE—HOME AND COLLEGE INFLUENCES—WAR EXPERIENCES—STUDY AND PRACTICE OF LAW—BANKING—MARRIAGE—ENTERPRISES IN CALIFORNIA—BUSINESS AND SOCIAL QUALITIES.

THE wonderful development of physical and mental strength, energy, and courage in the United States has resulted from several causes. Free institutions and opportunities for enterprise have contributed their share, but admixture of the blood of the various branches of the Caucasian race has had the effect to blend and bring out in Americans the excellencies of all. It is not intended to say that Americans have no unfavorable characteristics, but it is a recognized fact that on the whole they are not excelled by any other people.

In both physique and mental power the Anglo-Saxon element predominates. The English people are descended from ancient Briton, Dane, Saxon, and Norman, and it is apparent that the Saxon is the dominating blood in them, and through the English and the direct emigration from the German states the Teutonic qualities have become most prevalent in this country. It has been as difficult to subordinate characteristics in any admixture of blood where the German is a party, as it has been for other peoples to subjugate and wipe out German nationalities. It was not the "black forest," but German prowess and

courage that arrested the advance of the Romans under Cæsar and subsequent chieftains. Germanicus alone among all the Roman commanders achieved substantial successes in the trans-Rhine country ; but his conquests like all others in after times were but temporary in duration.

As far back as we have any historical account the German has been noted for his sturdy, indefatigable and courageous qualities. And what is more he has been industrious and orderly, and the bulwark of stable government and of peaceable societies. The German also possesses individuality, independence and sincerity of conviction. The sentiment, "independent judgment is the right and duty of every man," written upon the walls of the old cathedral by Luther, naturally impressed itself upon the German mind. That those people have not excelled in adventure and commerce results from the isolation of their country from the sea.

German immigration from the beginning has given an immense impetus to the growth and strength of America. The Germans have caused our agricultural and mechanical industries to thrive, their influence has been on the side of conservatism, and in our wars they have not been excelled by any for patriotism and sacrifices. They have aided in maintaining our republican government and free institutions. The subject of this biography on both sides is of German lineage.

The paternal ancestor emigrated from Prussia nearly two centuries ago and settled in Pennsylvania. Devalt Bonebrake, the grandfather and father, were born in Wayne county in that state. The former removed with his family to Athens county, Ohio, when the latter was quite young, and subsequently went to Preble county, when the country was a wilderness. Two of the brothers of the grandfather were soldiers in the revolutionary war, and one of them lost his life in the battle of Long island. When the

maternal ancestors came to America is uncertain, though it must have been at an early date. Both families were protestant in religion and farmers by occupation, and of that honest, sober, industrious, and thrifty class which is so numerous in Pennsylvania and Ohio.

The father's name was Frederic, and the mother's maiden name was Margaret Hawk, who was also born in Pennsylvania. The father in early life was a soldier, and served in the Indian wars in Ohio and Indiana under "Mad Anthony" Wayne, and in the war of 1812 under General William Henry Harrison. Frederic Bonebrake subsequently became a minister of the church of United Brethren, and preached till his decease.

He possessed strong intellectual powers, had few advantages for education, but became possessed of learning through his own efforts, and was what may truly be called a self-made man. He was active and effective in his religious work, and was benevolent and self-sacrificing. He was strongly anti-slavery and labored earnestly in that cause. He lost his life in the effort to save that of an orphan child whose parents had died of cholera, and in taking care of the child, so that it might not be sent to the hospital, he caught the dread disease himself and survived but a few hours. His decease occurred in 1849. The mother was a woman of great force of character and benevolent disposition. There were three children born to Frederic and Margaret, two sons and a daughter, the subject of this biography being the youngest. The father left but little means to the family, and when he died the youngest child was but eleven years old. The care of the children devolved upon the mother, and with their aid she continued to rear them in reasonable comfort, and especially to respect the principles of religion and morality. She was a woman of indomitable perseverance, and lived to see her youngest son a man of eminent success

in life. She died in 1888, having lived to a ripe old age.

George Henry Bonebrake was born June 9, 1838, near Eaton, Preble county, Ohio. The father having been a minister of the gospel, as might be expected was in very moderate pecuniary circumstances, and was unable to assist his children to any great extent in acquiring an education. George Henry was a healthy, robust boy, industrious, bright, honest, good-natured, though of a sufficiently combative nature to make himself respected among his play-fellows. He continuously worked on a farm till he was seventeen years old, attending school, however, on an average, but two months during the winter seasons, and having to walk through mud and snow a mile and a half to the school-house. Many a boy, tough of constitution but deficient in pluck, has quailed and succumbed in the presence of such hardships. He was not precocious, but learned readily, and was especially thorough in studying his lessons. George Henry had an irresistible ambition to acquire learning, and was willing to undergo any hardship or deprivation to accomplish it. His German extraction and the qualities inherited from his indomitable parents possessed him with a heart of controversy in surmounting obstacles. At seventeen he was without money, or the friendly encouragement of a father, and received only the moral support of an unappalled and persistent mother. How many young men have failed just at this point! The obstacles appear in their magnitude, and the uncertainty of success in life rises up like the ghost of Banquo, and will not down. The prize at times seems great, and then becomes dwarfed in the presence of obstacles and uncertainty, and only the determined hearts withstand the pressure. Such is a supreme moment in a young man's life. If he falters he fails, but if he grapples with difficulties and overcomes them, nothing that crosses his pathway in future life will deter from effort or appear insur-



mountable. This young scion of the Teutons was filled with the spirit expressed in the couplet:

“What though a mountain in your path ye scan,  
What’s a mountain to a man?”

Young Bonebrake had made up his mind, and he started off with but sixty-five dollars in his pocket to take a college course at the Otterbein university, near Columbus, Ohio, a hundred miles away from home, and among strangers. For the chances he had had he was much better equipped than most boys would have been under the same circumstances, for he had studied diligently while at the district school, and had retained what he had learned. He began his studies and his manual labor to pay his expenses. He lived economically, and studied and worked hard. He continued at the university six years, studying the classics, Greek, Latin, French, and German, the higher mathematics, and the usual scientific branches. He earned enough by manual labor between the hours of study and recitation—hours which more favored students spent in recreation and pleasure—to pay the expenses of his course. At the age of twenty-three he graduated with high honors, and received the degree of bachelor of arts, and closed his collegiate life with the goodwill and friendship of classmates and faculty. Three years later, and while he was in the army, the degree of master of arts was conferred upon him, and as an evidence of high appreciation, the audience arose while the president of the university invoked the blessing of God upon the soldier.

Mr Bonebrake left the college well equipped for the further battle of life. His education had been thorough and complete, and through temperance and exercise his constitution had not been impaired. He was full of knowledge and energy, and was blest with good health. Immediately after his graduation he went to Winchester, Randolph county, Indiana, and became the principal of an academy of that name,

which position he held for six or eight months, when he purchased the *Winchester Journal*, a weekly newspaper, which he edited and published. In addition to his editorial work he composed, and learned the whole of the printer's trade, and ever afterward he has prided himself on being a practical printer.

Mr Bonebrake was reared under anti-slavery influences, as has been seen, and was ardently and resolutely in favor of the suppression of the rebellion. In July 1862 he enlisted in the 69th regiment of Indiana volunteer infantry, and was made a second lieutenant, and afterwards was promoted to the captaincy of Company C. The regiment was raised at Richmond, Indiana, and was completed just in time to be ordered into Kentucky to meet the invasive movement of the confederate general E. Kirby Smith. The troops sent to arrest the advance of Kirby Smith were generally inexperienced, and were inadequate in numbers for a successful resistance. They were overpowered, cut to pieces, captured, and dispersed; the 69th Indiana, though behaving bravely, shared the general fate, and nearly the whole regiment was killed, wounded, or taken prisoners. Being paroled by the confederates, the regiment returned to Indiana until exchanged. The regiment was ordered to Memphis, where it arrived on the 1st of December 1862, and went with the army of the Tennessee down the Mississippi river, and participated in the five days' battle of Chickasaw bayou, thence up the Arkansas, and took part in the battle and capture of Arkansas post, and was in the battles preceding and at the siege of Vicksburg, also at Jackson, Mississippi. After the capture of Vicksburg the regiment, with the thirteenth army corps, was sent to Louisiana, and thence to southwestern Texas, where the service was exceedingly disagreeable, though the fighting was confined to skirmishing. In the spring of 1864 the regiment was ordered back to Louisiana and up Red river to participate in the remainder of the Banks campaign,

which had been so disastrous to the union arms. The regiment shared in the fighting which ensued on the retreat to the Atchafalaya river, was thereafter located for a time at Morganza, and made numerous expeditions, in which it encountered more or less fighting of the desultory kind. It campaigned in Mississippi, and by reason of reduction in numbers it was reduced to a battalion of four companies, which necessarily involved the muster out of the colonel and major, which took place in February 1865 at Pascagoula, Mississippi.

In the charge upon the works at Vicksburg, May 22, 1863, Captain Bonebrake behaved with great gallantry, for which he was complimented in orders by his colonel, and soon thereafter was promoted to major of the regiment, in which capacity he served until he was mustered out, as before stated. The 69th Indiana was a brave regiment, and Major Bonebrake was one of its most conspicuous officers. Governor Lionel A. Sheldon being asked his opinion of Major Bonebrake as a soldier says: "I first met him at Memphis, Tennessee, in the early part of December 1862. A brigade of new and inexperienced troops were added to our division, and I was detached from my regiment, the 42d Ohio, to command it. The division constituted the right of the army of the Tennessee, and my brigade the right of the division, which gave us the front in advance upon Vicksburg; the 69th was on the right of the brigade. We were to attack Vicksburg on the north side in coöperation with General Grant on the east side. I had little time to acquaint myself with my brigade before we embarked in the campaign. I had great apprehensions as to how my troops would behave, as they were all inexperienced except the 69th, and its experience had been so disastrous that I feared it had been demoralized. We advanced rapidly upon the enemy, amid screaming shells and whistling bullets, and unfortunately some troops on our right got into a panic, and

instead of going to the rear they ran into our front to take cover behind the remnants of an old brick-kiln. The colonel of the 69th and myself proceeded to rally them, the enemy redoubled his firing, and I was extremely anxious, fearing that my command would break. The smoke and fog obscured much of the line, and looking back the portly form of Bonebrake was visible under the colors, and appeared as immovable as a rock. Not a man left his place, and as soon as the panic-stricken troops were out of the way we charged into the thin woods and drove the enemy back to his fortifications. The next morning Captain Bonebrake was sent, on account of the excellence of his company, to protect the pontoniers in the effort to bridge Chickasaw bayou. He stubbornly maintained himself under a most galling fire for more than an hour, and until he was ordered into line to participate in a charge. The regiment behaved gallantly at the capture of Arkansas post, being still under my command. The re-organization of the division at Young's point placed me in command of the second brigade, but we were side by side at Thompson's hill, Champion hill, and Black River bridge, and the regiment behaved with its customary bravery. Major Bonebrake was an officer of reputation and courage."

Immediately on being mustered out as major, he was appointed by President Lincoln captain in the commissary department, and served in Louisiana and Texas. In August 1865 Major Bonebrake requested a leave of absence, with permission to join the Mexican army. The request was refused, and he was ordered to Washington to be mustered out, which took place in September 1865. Though the war was disagreeable, still many an officer who sympathized with the republican Juarez, in his struggle against the monarchical armies of Europe, was not only willing but anxious to lend him a helping hand, and Major Bonebrake was of that class. His accounts

were promptly adjusted, and he was honorably released from the military service and his obligations as a commissary of subsistence.

The spirit of work which was born in Major Bonebrake had grown to corresponding proportions when he reached manhood. He immediately returned to Winchester, and began the study of law in the office of General Thomas M. Browne, who had distinguished himself as a soldier in the union army, and who has since been a distinguished member of the United States house of representatives for fourteen consecutive years. In consequence of Major Bonebrake's manifest business capacity and skill, before he was admitted to the bar he went into partnership with General Browne, which continued for three years, and the business of the firm proved lucrative. After the partnership expired Major Bonebrake became a director in the First National bank at Winchester, and its attorney. Subsequently he aided in organizing the Citizens' bank at Noblesville, Indiana, and became its cashier, which position he continued to hold until 1880, though he was absent in California two years before he resigned it.

In January 1869 Major Bonebrake married Miss Emma Locke, a most estimable young woman of Winchester. His domestic relations were all that could be desired, and his home was made a model of happiness by his devoted wife. Two children were the result of their marriage, a daughter Blanche, born May 17, 1872, and a son, George Percy, born May 18, 1878. In his connubial relations Major Bonebrake was greatly blest, and he was successful in business, but a cloud arose which cast a dark shadow upon the pathway of his life. Mrs Bonebrake evinced signs of decline from that dread disease consumption. All remedies and tenderest care failed to arrest the ravages of the malady. In the hope that a climate less harsh than that of Indiana would restore her to health, or at least prolong life, in Octo-



ber 1878 he came with his family to Los Angeles for a temporary sojourn, in order to try the effect of the salubrious climate of southern California. Being favorably impressed with the place and the country, he determined to make Los Angeles his permanent home.

It was not the nature of Major Bonebrake to remain idle, and he immediately embarked in a new business. He established carriage depositories at Portland, Oregon, Oakland, San José, Stockton, Los Angeles, and San Diego, California, and in three years sold more than four thousand vehicles. In the midst of his activities he was constantly distressed by the continued decline of Mrs Bonebrake, which culminated in her decease in February 1880, leaving the two children to the sole care of their father. It is appropriate to say in this connection that they have had the best of advantages and the most excellent training.

In the early part of 1883 Major Bonebrake organized the Los Angeles National bank, with a capital of \$100,000, which in 1886 was increased to \$300,000, and to a half million in 1888. It is a strong and successful banking institution. Major Bonebrake has been its president from the organization, and still holds that position. He also aided in the organization of the First National banks at Pasadena, Pomona, Riverside, Santa Ana and Santa Monica, a state bank at Santa Paula in Ventura county, the Savings bank of southern California, and the State Loan and Trust company at Los Angeles. He is a stockholder and director in all these banks, and in addition to the Los Angeles National, is president of the bank of Santa Monica, and of the State Loan and Trust company. He is undoubtedly the largest holder of bank stock in southern California. He gives his personal attention to the institutions of which he is president, and has a supervising care over the others. All these institutions are sound and



flourishing, and do a large part of the financial business of southern California.

Major Bonebrake has been active in developing the country, and in promoting its business enterprises. He was the first president of the California Central railroad company, leading from Los Angeles to San Bernardino, and of the Surf railroad company, as it is called, leading from Los Angeles to San Diego. He was instrumental in having the several banking institutions in which he is interested erect structures which would be ornamental and give character to the places where they are located, and all have done so except at Riverside and Santa Paula. The Bryson and Bonebrake block in Los Angeles, of which he is half owner, is perhaps the most substantial, tasteful, and commodious business structure in the state, and certainly outside of San Francisco. His enterprises have all prospered, not because he is the favorite of fortune, but because they have been well chosen and ably managed.

Major Bonebrake is a clear-headed man, and does not get nervous in business affairs any more than he did in battle. He rarely makes mistakes, and though of an accommodating disposition he conducts business on business principles, and leaves sentiment and charities to be attended to as outside and independent matters. He has a thorough knowledge of southern California, and accurate conceptions of the true interests of the country. He believes in its future. His fortune is large, and what he has is wholly invested in Los Angeles and tributary points.

The mayor is not so wholly absorbed in business as to neglect other necessary and useful matters. He familiarizes himself with events at home and abroad, and is well read in the substantial literature of the day. He takes a lively interest in public questions, and is ever ready to lend a helping hand to every good cause. He was selected as a member of the citizens' committee to frame the new charter for the city of

Los Angeles, and his judgment and opinions had great weight with his associates. He gives freely to charities, and devotes his influence and means to promote the cause of education, and also contributes liberally to secure the success of his political party. He is a man of self-respect, and engages in nothing demoralizing, loves humor, if of an elevated character, is sociable and genial, but has no bad habits, nor does he engage in anything that will uselessly take up his time or detract from his ability to properly attend to his business. Major Bonebrake's mind is thoroughly disciplined, and he is able to turn from one subject to another and dispose of details without confusion or inaccuracy. He is versatile in talents as his varied career demonstrates. He is a strong man physically, is five feet eight inches in height and weighs two hundred and fifty-five pounds; his hair is light brown, eyes blue, and complexion ruddy. His vital force is immense, and with his temperate habits and sufficient physical exercise he seems destined to a long and useful life.

The careers of eminent and successful men seem often to be phenomenal in their families, but it is nearly a universal rule that apparently uncommon qualities are a reproduction of those of an ancestor of no very remote period. What stimulates Major Bonebrake and numerous other men to strive and struggle through life to acquire knowledge, wealth, or position? It is the inborn principle, the *Deus in nobis* which urges them forward to gratify ambitious desires. If there is nothing in blood there would be no such thing as uniformity in strength and character which is manifested in families and nations. Teutonic power and character are not of recent manifestation, but they have been recognized by the world for two thousand years. There is a beginning to all things, but we are too far removed from the first parents, and the developments among men to the present time have been too great for any to truthfully say as did

Napoleon, "I am the first of my race." The successes of the subject of this biography in so many fields of effort are due to his natural endowments, which he undoubtedly inherited, and that they were not displayed in so marked a degree in his ancestry may be due in a large part to less favorable circumstances and conditions.

The opinions of Major Bonebrake upon business questions have great weight, especially with those engaged in financial operations. Closely connected with business affairs is the labor question, which he has thoroughly studied. The trials and struggles of early life naturally cause him to sympathize with the laboring classes, and being a capitalist he has studied the subject from that standpoint. His experiences suggest the true rule that should govern in the relations between labor and capital. His achievements have been the result of wise judgment, work, and economy, which point out the methods that should be adopted by all in indifferent pecuniary circumstances. While all may not be able to accomplish as much as he, the principle remains that all are in duty bound to make the best possible use of the talents with which they are endowed.

The value of Major Bonebrake's achievements to future generations is immeasurable. Without the stimulation and inspiration of such examples the world would go to sleep and be involved in midnight darkness. He and many others have demonstrated that, in a country where all are equal under the law, success does not depend upon any conditions except the possession of natural powers, energetic disposition, and a brave and unflinching spirit. America is free, and the guaranty is ample that meretorious efforts will be followed by adequate rewards.

## CHAPTER XXVI.

### LIFE OF ALBERT MILLER.

A LEADING FINANCIER—GENEALOGY—EDUCATION—EASTERN EXPERIENCES—  
CALIFORNIA—MERCHANT—CALIFORNIA INSURANCE COMPANY—SAVINGS  
BANK—EUROPEAN TOUR—CONNECTION WITH VARIOUS INDUSTRIES—  
GAS COMPANIES—SOCIAL AND HOME LIFE—POLITICAL VIEWS—FAMILY—  
CHARACTERISTICS.

IN a community noted for the number and magnitude of its financial wrecks, due often to speculation, often to over-trading, and less frequently to the attempt at building up industries for which the country was not prepared, it is refreshing to cite a few instances of men whose careers have been attended with uniform success. There are many such men in our midst, though for every one who has been thus favored scores have fallen by the way, their very names forgotten or whispered only with pity and regret. Amongst those who have come successfully through the trying ordeal of financing in a rapidly growing community, should be mentioned Albert Miller; one long familiar to the financial and commercial circles of our western metropolis, of whom it may be said that no undertaking with which he has been associated in the management has ever resulted in failure. At first as a merchant; then as one of the founders and fathers of our savings-bank system; then in connection with various branches of manufacture; with our cable roads and leading industries; to whatsoever he has turned his hand or directed his atten-



*Wm. H. Miller*





tion he has ever carried his enterprise to a successful issue. Not only as a financier and business man should he be accorded a place in these pages, but as one who has long been identified with the social and intellectual progress of the state; whose career, whether in public or private life, is beyond reproach, and whose example contains salutary lessons that none should fail to lay to heart.

Mr Miller was born February 12, 1828, in the town of Peine, in the ancient kingdom, now province, of Hanover, and is endowed with all the mental and physical characteristics of that most advanced and refined of the German peoples. He traces his descent from a family of noble origin, whose rank and ample possessions were forfeited during the religious wars of the fifteenth century. Under the new order, which arose after the troubles had ceased, the family engaged in the milling business, and from the association with this industry the name Miller was adopted.

There remained to them from their former estates only a grist-mill in the town of Müden, in which their occupation was carried on. This building has continued uninterruptedly their property for over four hundred years, and is now owned and operated by Mr Miller's cousin. His father, the youngest of eight children, and also the favorite, was born in 1798, and, after acquiring an excellent education, was trained at Göttingen for the medical profession. Preferring mercantile pursuits, however, he established himself in the drug business, in which he was fairly prosperous until in 1833 occurred his death.

In the schools of his native town Mr Miller received his education, learning to speak fluently the French and English languages, and graduating with the highest honors at the head of his class. After spending two years more at a commercial college of high standing in the neighboring city of Brunswick he was apprenticed to a dry goods merchant, with whom he served a five years' term. Here he acquired a thor-

ough knowledge of the business, which, on his arrival in California, he turned to good account. At the end of his apprenticeship it was his intention to set forth at once for the United States; his reasons were to better his condition, and because he preferred the freer government and institutions of this country. His family, and especially his mother, objected to his leaving home, simply because they were unwilling to lose him. At length, gaining their consent, in September 1848 he took passage on the *Orion* for New York. The first thing that he did on landing in the New World metropolis was to declare his intention to become an American citizen.

Whilst in the east he filled several positions of trust in wholesale and importing houses; his services being in special request on account of his diligence, reliability, and thorough knowledge of business. But California was his goal, and for this country he took ship in February 1851, journeying by way of Panamá, landing in San Francisco on the 2d of April 1851, from the steamer *Oregon*. Among his fellow-passengers were the well-known bankers Peder Sather, Daniel Meyer, and George Hager, the latter now president of the Colusa bank.

With characteristic energy Mr Miller at once looked about him for work. In his own line of business there were at this time but few openings, and hence, until near the close of 1855, we find him employed as book-keeper and managing clerk to various prominent shipping houses. Here it may be mentioned that never after the occasion just cited did he find it necessary to solicit employment, the position seeking the man, as is apt to be the case when he is known to be trustworthy and capable. So highly indeed were his qualities appreciated that in December of this year he was offered a partnership in one of the leading dry-goods houses of the Pacific coast, his services as manager alone being considered as more than an offset to the capital subscribed by the

other partners. The affairs of the firm were steadily prosperous until, in 1865, the other members, Janson and Bond, having secured a competency, determined to retire from business. Meanwhile Mr Miller, who was a shareholder and director, had been elected president of the California Insurance company. He held this office for two years, and during his presidency the company paid its highest dividends, at the uniform rate of two per cent per month.

At this busy period of his career Mr Miller became interested in various enterprises. In 1854, in conjunction with Harry Meiggs, he founded the first savings-bank in San Francisco, styled the San Francisco Building and Loan association, of which he was elected vice-president. After the flight and defalcation of Mr Meiggs, E. W. Burr became president; and this institution was finally succeeded by the Savings and Loan society, Burr and Miller remaining respectively president and vice-president.

After some years Mr Miller severed his connection with this institution, as did two other of the directors, John Archbald and James de Fremery. In 1862 these gentlemen established the San Francisco Savings Union, with which Mr Miller has ever since been connected as president or vice-president, and to his management is due much of the reputation which this bank enjoys, and has always enjoyed, as one of the safest and most substantial on this coast.

But ere long the pressure of business cares, together with the strict attention to his manifold duties which his own conscientious scruples exacted, began to impair a constitution naturally strong and never before shaken by serious sickness. In the spring of 1867, therefore, he resigned his various appointments, and, under the advice of his physician, left with his family for a prolonged European tour, spending nearly four years in Germany, France, and England, and returning with health entirely restored in November 1870. Soon afterward he resumed sev-

eral of his former positions, and later became connected with a number of enterprises ranking among the foremost on the Pacific coast.

Almost from the inception of our powder industries Mr Miller became a director and large stockholder in the Atlantic Dynamite company and in the Giant Powder company. Of the latter he has been for years a director, and several times the acting president or vice-president. With the management of Starr and Co's flourmills he has long been associated, and in these he still retains a considerable interest. He was one of the ten promoters of the Presidio and Ferries railroad, and to him is partly due the organization of the Pacific Surety company, by which business corporations and business men are guaranteed against embezzlement and peculation by their employés.

But perhaps the enterprise with which, next to the San Francisco Savings Union, he has been most closely identified is the Central Gas company, or, as it is now styled, the Pacific Gas Improvement company, established some years ago by Charles McLaughlin and a party of Philadelphia capitalists. McLaughlin soon became involved in lawsuits by contractors and employés. He stated his difficulties to his Philadelphia associates, and they started their general manager for San Francisco to survey the ground, with a letter of introduction to Mr Miller.

After a long negotiation McLaughlin and other stockholders of the Central Gas Light company leased the works for twenty years to the United Gas Improvement company of Philadelphia, Mr Miller accepting the position of agent and manager.

Within one year Mr Miller and five associates, amongst whom were Lloyd Tevis and William Sharon, formed the Pacific Gas Improvement company, acquiring the interest of the United Gas Improvement company. They have paid regular monthly dividends since for over five years, during the whole of which time Mr Miller has held the position of president.

After the decease of Mr Sather, with whose bank Mr Miller had kept an account for over thirty years, he was one of the incorporators of the Sather Banking company in 1888, of which he has ever since been a director.

Such, briefly outlined, is the business career on this coast of one of our leading merchants and financiers. In all this long career, extending over well-nigh forty years, he has never met with serious reverse, nor could any other result be expected in a man of his forethought and discretion, his keen insight into business details and operations, his spotless integrity and his marvellous capacity for work. Above all things he is known as a thoroughly reliable man, one in whom may be reposed implicit confidence and trust, whose word is to him as sacred as his most formal obligation. No wonder that his services as manager have been so frequently in demand, and, as has been well remarked, "If he could divide himself into a dozen parts, for each would be found some enterprise for him to manage."

As a social, no less than as a business, leader Mr Miller has impressed on the community an influence for good. One of those by whom was founded the Young Men's Christian association, he was for ten years its vice-president, and long one of the most active of its Sabbath-school teachers. In 1862 he was elected to the presidency of the Mercantile Library association, and in 1889 was appointed by Governor Bartlett a regent of the university of California. He is a sincere Christian, though without the slightest tinge of bigotry or intolerance, and is a member of the first presbyterian church in Oakland. His residence on Fourteenth and Union streets, built after plans designed by his wife, is one of the most tasteful edifices in the Athens of the west. His tastes are essentially refined in character, the little leisure remaining to him being passed for the most part in the society of his family and his books, of which he



has a library of some three thousand well-selected volumes. A constant reader, his favorite subjects are, in the order named, political economy, history, biography and travels, though in journals and current literature he also takes an interest, especially such as treat on business and finance. While not a college graduate, he has given to himself a far higher and more thorough education than could be had at college or university, substituting for the cumbersome burden of scholastic lore the more useful knowledge gathered from an intelligent study of standard authors, and a practical acquaintance with the affairs of his fellow-man. He is, moreover, an excellent judge of character, and a keen and most intelligent observer. "I had not," he once remarked, "been in America very long before I noticed, although I had never before mingled with an English-speaking race, how poorly some people spelled, and what a poor use they made of grammar." This from one by birth a Hanoverian, and whose early knowledge of English was acquired at school.

In politics he has never taken an active interest, except in support of the People's party, which gave to San Francisco its first idea of sound, economical government. Office he has always persistently refused, never allowing his name to appear as a candidate, however urgent the solicitation. Originally a whig, casting his first ballot for Fremont, he is bound by no predilections, voting for those whom he considers best qualified, irrespective of party or creed, and often disgusted, as he has good reason to be, with the administration of both democrats and republicans.

His political views are worthy of our consideration, being as interesting as in many respects they are novel. First of all he is firmly impressed with the conviction that a change is required in our naturalization laws. No alien, he thinks, should be entitled to the privilege of citizenship until he has resided at least twenty-one years in the United States. He is



also in favor of an educational and property qualification, in addition to that of residence. He holds strongly to the opinion that a radical reform is needed in our tariff system, and on that question is thoroughly in accord with the last message, December 1887, of President Cleveland. The interstate commerce law he regards as an ill-conceived and worthless measure, believing that when corporations abuse their privileges the offender should be punished, by fine, forfeiture of franchise, or in some other adequate manner. Moreover, the men selected for railroad commissioners are seldom possessed of the character and ability required for so delicate and responsible an office. On the Chinese question his ideas are essentially different from those commonly accepted in our western communities. Considered merely as a commodity the Chinaman is at least useful while our labor supply is so meager, and as such there is no good reason why his services should not be utilized, just as we use a cargo of coal or a carload of manufactured iron. As to the outcry for coast defenses, involving an expenditure for California alone of some \$200,000,000 to \$300,000,000, he deems it merely a pretense, of which congressmen would gladly avail themselves, to curry favor with their constituents. If such an outlay were incurred it is almost certain that, before a war broke out, the fortifications erected would be as useless and obsolete as are those which now guard the Golden Gate. The true principles of free government he aptly explains in a single sentence: "Let every man do as he pleases, so long as he does not injure his neighbor."

Of the future of California Mr Miller has the highest opinion, and predicts for this favored region a career of boundless prosperity. It is, he declares, the very garden spot of the world, absolutely without waste; and never since landing on its shores has he desired to live elsewhere than in this land of promise. Here he has made his fortune and his fame; here his children have been educated, and his sons are

already on the road to prosperity, and here he chooses to close a career which has already contributed so largely to the commercial, financial, industrial, and social development of his adopted state.

In 1854 Mr Miller married Miss Mary Annie Kendall, a native of New York, a lady well-fitted to preside over his household, no less for her culture and refinement than for her sterling qualities as wife and mother. Of their seven children the eldest son is now secretary of Starr and company's flourmills; another is the secretary and the third is the treasurer of the Pacific Gas Improvement company; a fourth is private secretary to his father at the San Francisco Savings Union, and the youngest is still attending school.

Two of the boys are already married, while the two daughters are esteemed as among the most graceful and accomplished young women in a circle of society noted for its graces and accomplishments. All the children inherit in a marked degree the intelligence and tastes of both their parents, while the sons give token of their father's business acumen, and in time bid fair to reach his standard.

To the older residents of San Francisco the form and features of Mr Miller have long been familiar; his erect and well-proportioned figure, the very embodiment of physical health; his neat and tasteful attire; his graceful carriage; his full, round face, symmetrically shaped and tinted with the ruddy glow of health; his massive head with its heavy growth of hair on sides and back; his flowing gray mustache and beard; his broad and lofty brow; his clear penetrating gray eyes, his massive but well-shaped lower features, indicating decision and strength of will. We have here the appearance of a well-preserved man, and one much younger than his years; a scholar, a Christian gentleman, and yet, in the better sense of the word, a man of the world. In manner he is affable and yet dignified, accessible to all, but admitting few into his closer intimacy. In conversation he is

fluent and interesting, with a strong command of language and a thorough mastery of English. Of his tastes I have already spoken, and it remains only to be said that his fondness for music and painting is excelled only by his devotion to the higher branches of literature. As to his charities, it is not fitting that I should speak on a subject that is never mentioned by himself; for so unostentatious in this matter is he, that though extremely generous, few save the recipients ever know of his liberality.

The work that he has done and the influence that he has wielded for good amid our western commonwealth it is indeed impossible to overestimate. To such men is due the rank now accorded to the Golden city of the west as the commercial, financial, and manufacturing center of the coast. By such men her industries have been developed, her traffic extended and her boundaries enlarged. To men of this stamp must be attributed the growth of San Francisco from a cluster of tents and log-cabins to a great and ever-expanding metropolis, with her population already exceeding 300,000, her property valuation of more than \$600,000,000, her clearances of \$700,000,000 to \$800,000,000 a year, and her vast and constantly increasing volume of commerce.

But not alone for the part he has played in unfolding the material resources of the state, and less for this than for the loftier traits of character whose subtle and wide-spread influences are felt in all classes of the community, will his name be held in esteem.

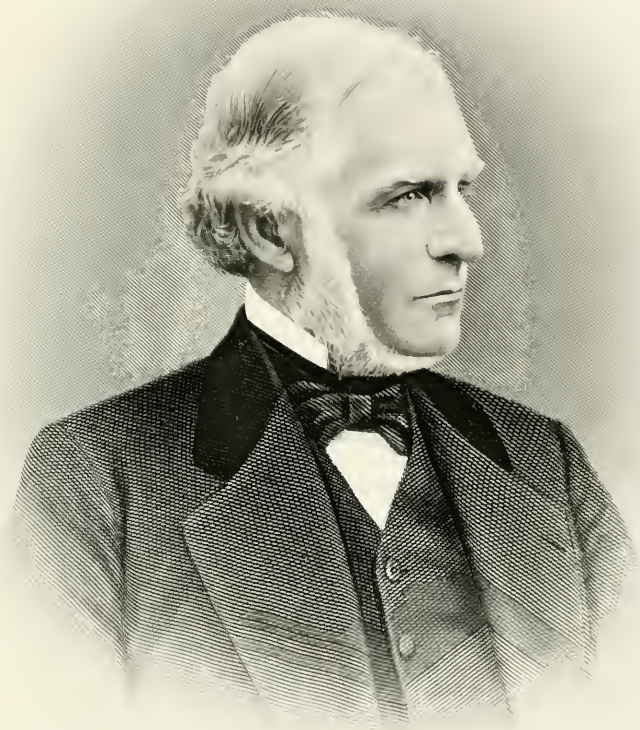
Among a score of men who surpass him in wealth, we shall look in vain for one whose example has so tended to purify and exalt, whether morally, socially, or intellectually, the tone of our western society. His efforts have always been in the direction of good; and thus alone it is that man can do the will of his creator, thus that he can help to make broader the field of light, and narrow yet closer the domain of darkness and evil.

## CHAPTER XXVII.

### LIFE OF JOSEPH EMERIC.

AN HISTORICAL STUDY WHICH IS ALSO PSYCHOLOGICAL—IDIOSYNCRACIES AND VIRTUES OF AN EXTRAORDINARY CHARACTER—A CAREER OF TRIUMPH AGAINST ODDS—THE DEVELOPMENT AND MATURITY OF A DISTINCT INDIVIDUALITY—THE RECORD OF A USEFUL AND HONORABLE FACTOR IN THE BUILDING OF COMMONWEALTH—A HISTORY WITHIN A HISTORY—THE STRUGGLE OF HENRY F. EMERIC—HIS EXTRAORDINARY EXPERIENCES—INDEPENDENCE OF SPIRIT AND FORCE OF CHARACTER AT LAST COMPEL THE RESPECT OF HIS OB DURATE FATHER, AND WIN FOR HIM THE RIGHT AND TITLE TO A PRINCELY ESTATE.

Writing from Toulon after its recapture from the British, the French commander-in-chief remarks in his official despatch, copied in the *Moniteur* of December 7, 1793: "Among those who distinguished themselves most, and who most aided me to rally my troops, is citizen Buona Parte, commanding the artillery." In the village of Nouelles, a few miles from that city, and in the year when citizen Buona Parte, better known to fame as Napoleon Buonaparte, met with his final overthrow, was born one of the most remarkable men on the roll of California's pioneers. His name was Joseph Emeric, and among those of our argonauts who have passed from earth there are few who will be longer remembered, not only as one of the most successful merchants and farmers of earlier days, but as one in whose character was blended the strongest admixture of qualities, of virtues and infirmities, of worth and imperfection, of noble and unworthy attributes. Such indeed we all possess, but in some those inconsistencies appear in greater degree



God Emrich





than in others, and often in those most richly endowed with nature's gifts are found, as by a law of compensation, some of the most serious failings to which our common humanity is subject.

Mr Emeric's father was a naval officer, a man of even and placid temperament, slow to anger, gentle in manner, without an enemy, and as his friends declared, almost without a fault. His mother was a woman of opposite character, possessed of strong individuality, nervous, quick-tempered, excitable, and at times even combative. Of her four children Joseph was the eldest, and in some respects inherited her characteristics, with little at least of his father's suavity, and with not a few of his mother's idiosyncrasies.

At the village school of Nouelles Joseph received his early and in fact his only education, living under the parental roof until the age of thirteen, when a series of quarrels with his mother culminated in a forced departure from his birthplace. Journeying thence on foot to Marseilles, he found employment as a messenger boy in the house of Blanc et Cie, soon afterward being appointed assistant book-keeper to the importing firm of Renard and Company. With the latter he remained for several years, winning rapid preferment, for whatever his infirmities of temper, he was a capable youth, alert, energetic, reliable, and with many of the qualities essential to a first-class business man. No better opportunity could have been afforded to acquire a commercial training, for Renard and Company's dealings extended over half the countries of Europe, and their correspondence was conducted in several foreign languages. Young Emeric made the best of his advantages, and at the age of twenty had become an expert linguist, speaking fluently the English and Spanish languages, and corresponding neatly in his own.

But now an untoward incident occurred. A quarrel arising between certain civilians and the naval offi-

cers stationed at Marseilles, he fought a duel with one of the latter, and wounding his adversary took refuge in Paris, where for a time he remained incognito. But this little escapade cast but a passing shadow over his prospects and reputation, for in France duelling was and is still regarded as one of the most venial of offences. Thus, in April 1836, we find him on his way to Boston, with the office of consular agent, and with the highest credentials from his former employers, by whom he had now been appointed general agent on this side of the Atlantic. Soon he became acquainted with many of the leading manufacturers in New England, his principal business being the sale of madder and teasels, the latter a plant indigenous to France, resembling somewhat the Scotch thistle, and at that date indispensable for the carding of certain fabrics. Success attended him, and in 1840 he was selected by Renard and Company to take charge of their branch establishment at New York, where he built up a large commission business, imported heavily from France, and dealt extensively in cotton, at first in the interests of his firm, and later on his own account.

At the beginning of 1848 Mr Emeric was one whose lot in life his fellow-man might envy. First of all he was wealthy, as wealth was computed in these early days; he was at the head of a flourishing and steadily increasing business, and a few years before he had been married to a most estimable and accomplished lady, in the person of Miss Mary Mestoyer, the daughter of a French planter whose property was confiscated during the negro uprising at Santa Domingo. Of their children the only survivor is Henry F., of whom further mention will be made elsewhere in this biography.

We are many of us old enough to remember the commercial panic of 1848, whereby some of the most substantial cotton-firms in the eastern states were crippled, not a few were driven into bankruptcy. Among those who suffered from this disaster were

Mr Emeric and the house he represented, their losses being mainly due to the failure of brokers to whom they had made advances. To meet his liabilities the former disposed of all his possessions, even to his homestead at Rahway, New Jersey, handing over the entire proceeds to his creditors. For some months thereafter he used his utmost efforts on behalf of the firm, making frequent trips between New York and New Orleans in the endeavor to restore as far as possible their fallen fortunes. This accomplished, he took ship for California, leaving in New York his wife with her two sons—the younger, Henry F., being born on the eve of his departure—and in such straitened circumstances that the severest toil was needed to earn their livelihood. Though at first depending on her needle, the task was afterward rendered easier by turning to account her many accomplishments, for Mrs Emeric was an excellent musician, conversed fluently and with faultless accent in French and Spanish, and in these and other subjects was reputed a most competent teacher. She was, moreover, a woman of decided character and strong intelligence, and yet of home-keeping habits and tastes, one whose management of her household, whether amid affluence or poverty, was beyond reproach, and one who was seldom known to fail in that far more difficult task—the management of her husband.

It was toward the end of February 1849 when Mr Emeric landed in San Francisco, his worldly effects consisting of the clothes on his back—and those of the scantiest—and in his pocket a single dollar. Among his fellow-passengers was Stephen J., now Judge Field, with whom and with George C. Gorham he was engaged in business at Bidwell's Bar, on the Yuba river, or, according to the record of the California pioneer society, at the town of Marysville. In that camp a year later, having suffered the loss of all his property, we find him again struggling to get a

foothold, and becoming associated in business with Henry Videau. But soon a breach occurred between them, due to the impetuous temper of the former, and early in 1850 we find him once more in San Francisco, and once more almost without a dollar.

He was now in his thirty-sixth year, an age at which most men who succeed in life have at least laid the foundation of their success; and such reverses as he had met with would have driven many to despair, causing them perhaps to disappear forever beneath the tides of human circumstance. But Mr Emeric was not the man to give way to despondency. Nothing discouraged, he at once went to work on the wharves, unloading wheat, or accepting cheerfully whatever task was offered. Within a twelvemonth he had saved enough to establish himself in business, in partnership with James F. Hibbard, for the purpose, as their agreement stated, of "cutting and selling wood, making and selling charcoal on the encinal of San Antonio (now Alameda), Contra Costa county, and doing whatever else might legally be done on said encinal." This he continued for about two years, securing among other patronage that of the principal hotels in San Francisco. Then, disposing of his interest, he conducted in that city until 1854 a grain and commission house in conjunction with Sampson Tams, under the firm name of Emeric, Tams and Company.

On winding up their affairs, or in lieu of a certain sum of money due from his partner, Mr Emeric accepted a portion of the San Pablo ranch, and here in 1855 he commenced farming, in company with a Frenchman named Xavier Ransim. The first, or one of the first, to engage in fruit-raising, and that rather as an experiment than for profit, he planted a small orchard with the finest and most suitable species of pear, cherry, almond, and orange trees, and thus demonstrated what few had before suspected, that Contra Costa county was well adapted for a fruit-growing

region. To his original tract he added year by year as means permitted, continuing to farm his own land until 1861, when he leased the estate to one Leopold Prevot, at first on shares and afterward for a money rental.

At this date he was the virtual owner of some 2,500 acres fronting on the bay, adjoining Berkeley on the south, and connected with Oakland by San Pablo avenue, the value of the property being now computed at little short of \$1,000,000. But though the title was perfectly valid, and never in fact disputed, his interest was an undivided one, and to secure a partition of the estate a friendly law-suit, not yet brought to issue, has been for a quarter of a century in progress, outliving the parties interested, the judge who first tried it, and even several of the lawyers. The San Pablo grant, originally issued to the Castros, was left by the father of that family, on his decease about the year 1838, one half to his widow and the other to the children. From one of the latter Mr Emeric purchased his interest, which through the law's delay has never yet been segregated. Meantime, however, he secured from a portion of it an average income of \$5,000 a year.

During his residence at San Pablo he was elected a member of the board of supervisors of Contra Costa county, in which for several years he held the position of chairman of the finance committee. When first appointed to this office he found the affairs of the county in dire confusion, caused by inefficient and careless management, but this he quickly remedied, and by his experience and financial ability placed them in excellent condition.

In 1869 Mr Emeric again established in San Francisco, this time in partnership with Victor Dumont, a general commission business, importing largely of French goods and of wines from Mediterranean ports, and receiving a government contract to supply the Spanish armaments with coal, during



the dispute with Chili. Thus he rapidly became wealthy, purchasing a number of valuable properties in San Francisco, among others a portion of the so-called Front street block, the building on the corner of Sansome and Jackson streets, in which was his office, the California hotel on Montgomery avenue, a large and central location on Third and Folsom streets, and two fifty-vara lots on Geary street, where in his later years he resided with his wife and family.

It was toward the close of 1856 when he was joined by his wife and children; and now let us turn for a moment from the career of Mr Emeric the elder to that of his only surviving son and heir, whose harsh experiences, due in part to parental severity, will go far to illustrate his father's idiosyncrasies. But first of all it should be premised that Mr Emeric was a man of exceedingly nervous and high-strung temperament, one who, especially in his children, could never brook the slightest opposition, one subject to moods and periods of extreme depression, caused in part by sickness. Moreover, his temper had been soured by the frequent reverses of his earlier manhood, and thus he had lost much of the buoyant and mercurial disposition native to his countrymen. From boyhood, as we have seen, he had toiled incessantly, often for the scantiest recompense, and thus he had learned to set great store on money. That which he had himself accomplished he expected his son to do, and under more kindly and judicious treatment he would doubtless have responded to his wishes. But that he was none the less proud of him, and never ceased to take an interest in his welfare, is displayed in a remark made when conversing on a certain occasion with Nicholas Luning and a party of capitalists. "There is not one of you," he said, "that has got a son like Henry. There is not one of them who will battle like he does."

Henry F. Emeric was born in the city of New



York on the 17th of January, 1849, and thus when he landed in California was but seven years of age. Soon after his arrival he was set to work milking cows on the San Pablo ranch, and delivering the milk in its neighborhood. Here he remained for some three years, when he was sent to the Union college in San Francisco, and later to Santa Clara college, whence in 1864 he returned to his home—then in San Francisco—and was placed in his father's office. And now his troubles began, for while keeping the books, if anything chanced to go wrong, his head was apt to be used as a target on which, with ledger and day-book for missiles, Emeric the elder gave vent to his wrath. At times, indeed, the office-floor was as thickly strewn with books as, we are told, was the library of Russell Lowell, with scholar's litter. But this was not the worst. If a window-pane should be broken, or other accident occur, the fault was invariably laid on young Emeric, and the cost deducted from his none too ample salary. This treatment in the counting-room and the most arbitrary discipline at home, Henry endured until 1872, when, his patience exhausted, he procured an appointment in the banking-house of Donohoe, Kelly and Company, where he became exchange-clerk and teller, all relations ceasing between father and son, the latter removing to France where his uncles lived, and remained there two years.

Returning about the close of 1875, with a promise from his father to place him in a suitable position, he was requested to take charge of the ranch for a few weeks until some occupation could be found that was more to his taste. But the weeks were prolonged into months, and the months into years, during all which time he was burdened with the entire management of the property, receiving little for his services except the hasty and sometimes violent expressions of his father's displeasure. At length he left San Pablo in disgust, and established a collection business

of his own, in which he was fairly prosperous, until in the summer of 1877 he found himself in a position to marry, the lady of his choice being Miss Barbier, a relative of the late J. W. Tucker, the well-known San Francisco jeweller. She was not rich, nor was she a society woman, and the elder Emeric, not having chosen her as a daughter, was wroth, though a better, truer wife never lived; but this itself, marvellous as it may seem, was offensive to her father-in-law, whose displeasure was so great that he would have preferred it had his son's wife been less worthy. The marriage had been consummated without the knowledge of his father, who, without any good reason, for the match was in all respects a suitable one, became so exasperated that at times his anger got the better of his reason, and his son's very life was endangered.

After a period of enforced idleness, Mr Henry Emeric procured an appointment on the police force; but this he resigned within a few weeks, to establish a bakery business, making the round of his customers and delivering bread at two o'clock in the morning, which occupation over-taxed his strength, and brought on a serious illness. On recovering he found occupation in a grocery store, and here remained until 1879, when he had the misfortune to break his leg by a fall on the elevator. We next find him employed, and in the order named, as a salesman in the Golden Rule Bazaar, as business manager of the *Wasp*, and as check-clerk of the Sonora railroad at Guaymas. Here in 1883 he was placed in charge of the lumber-yard of William B. Hilbert, but in July of this year was stricken with paralysis, and soon afterward returned to San Francisco.

After a stay of only a few days, he set forth for the placer mines of Lower California, reaching the Kala Mayee mines on foot by way of Trinidad bay and Santa Gertrude's, after almost perishing from thirst. Here he found all the Americans on the point of

deserting the camp, through fear of assassination, and was himself advised to do likewise. But he had left his wife and family in San Francisco with only \$100 in their possession, and here at all hazards he was determined to try his fortune. And now came yellow fever at Guaymas, causing everything to be laid under quarantine, so that by the 1st of October there was neither food nor water at the placers, and the nearest point of supply was 125 miles distant. Many of the miners died; others left, and soon Mr Emeric was the only American at Kala Mayee. Presently he heard that a certain Mexican had hired Indians to assassinate him, and ascertaining the name of the party, charged him with his dastardly intent, and administered a thorough castigation. Thereafter the natives took his part and displayed the utmost good feeling, except that one or two of the renegades attempted to gain possession of the pile of gold-dust which, as they imagined, lay concealed in his tent.

The placers were rich, and in spots gold could be picked up from the surface of the ground, the wind having swept away the incasing earth. But Mr Emeric was no longer in quest of gold; his sole desire was to reach his home, and on the 4th of October he set his face in that direction. He was without a morsel of food or a drop of water, hatless, shoeless, with a broken toe swollen to enormous size, and clad only in a blue shirt and overalls, which, except for a single blanket, were his sole worldly effects. For thirty-two days he journeyed, living on black lizards, which he ate raw, and on the juice of a species of cactus, termed in the Mexican "head of old man," from which, after crushing between stones, he sucked the moisture. On the morning of the thirty-third day he was found in an unconscious state, still nearly thirty miles from Trinidad bay, whence troops had been sent in search of him. A few hours more would have ended at once his sufferings and his career. Some three weeks of kindly treatment and careful nursing

restored him partially to health, and at the close of November 1883 we find him again in Guaymas, peniless, haggard, and gaunt, so that even the American consul, an old and intimate friend, failed at first to recognize him. "Good God! is that you, Harry?" exclaimed the consul, after gazing for a while on his shrunken features and emaciated form. "Yes," he replied, "all that is left of me."

But even yet his misfortunes were not at an end. Four days after reaching Guaymas he was attacked with yellow fever, which kept him six weeks in bed, and from which he was saved only by the kind nursing of Doctor Spencer's family. While still enfeebled and barely able to walk, he accepted a position as agent on Wells, Fargo and Company's line from Guaymas to Benson. Soon afterward he returned to San Francisco, where he found employment with the gas company, and later in the auditing department of Wells, Fargo and Company, with whom he remained until his father's death.

Such, in brief, is the career of Henry Emeric, and in that career we search in vain for any justification of his father's treatment. If he was of a proud and sensitive nature, independent, self-reliant, and one who could not brook an injury, these qualities he inherited from his father, and surely they were not cause of offence. That he was a capable man, industrious, energetic, and one who would never succumb to discouragement and defeat, the incidents of his life are of themselves sufficient evidence. He has shown himself a man of character—independent, self-reliant, loyal, and intelligent. Tried as in a furnace, he never showed the white feather, nor truckled to anybody, not even his father; never did he succumb to temptations thrown in his way to make him forsake principle. His grit has been simply marvellous. At all points he is a man fitted to take the position in society to which his princely wealth would have entitled him—though fortunately he has no sympathy with men

and women of society as the term is generally understood among those who consider style first and character second. He has seen the world himself, and knows how sordid and hollow this part of it is. But never again until he lay on his death-bed did his sire relent. To a friend who wrote to him from Guaymas for the means to defray his son's expenses while he lay ill of yellow fever, he answered that "if he died he would pay all the charges, but if he lived—nothing." But in turning away from this unpleasant feature in the character of Mr Emeric, it should be remembered that his defect is one by no means uncommon to humanity, and especially to those whom the world has accounted great. We have all of us read the graphic description given by Carlyle of the scorn and abuse with which Frederick the great was treated by his father. Napoleon said of his son that he could never become his successor, and Wellington spoke of the heir to his titles and estate—a harmless, well-meaning man, but without any trace of his father's genius and ambition—as the only disgrace to his family and name. And to compare small men with great, we have heard how George II. and his worthy spouse conceived what may be termed a physical aversion to the eldest of their offspring. But these instances do not go to the point of the phenomenon under consideration: they reveal a similarity to it only in the abnormity of estrangement and bitterness between parents and children. The case of Emeric, *père et fils*, is peculiar in this, that underlying all appearances, all mutual hatefulness in behavior, and all actual malice in feeling, they had a natural regard and a deep-seated admiration of the individuality and strong points of each other.

In June 1889, a few days before his decease, when already the shadow of the dark angel was cast athwart his couch, Mr Emeric sent once more for his son. His first words were of reproach, whereupon the latter turned to withdraw, but was immediately



recalled. And now at length he fairly relented, saying that he regretted everything that was passed, and wished that all these long years his boy had been with him. But, he added, it was probably good for him to have passed through so harsh an experience, and he hoped he would lay it well to heart. Thus the two parted in friendship and kindness, after what had proved almost a life-long separation, again to be reunited, let us hope, where earthly contentions enter not, and earthly infirmities are cast aside.

After Mr Emeric's demise it was found that the entire property, valued at more than \$1,000,000, had been left to his son, with the exception of a few legacies amounting in all to less than ten per cent of the total. They included bequests to his brother and sister in France, each of \$10,000; to Archbishop Riordan and Father Maraschi, each \$5,000; to certain of his old servants smaller amounts; to the French Ladies' Benevolent Society \$5,000; to his native village for the use of the municipality \$5,000; and for the poor of that village an equal sum. As it chanced that only one poor man could be found in Nouelles, he thus received an unexpected windfall; but as he was a cripple, there were few who envied him his good fortune. The will was in all respects a most sensible one, and somewhat in contrast with a previous document, dated 1879, wherein the sole legacy to his son was \$5, "for the purpose of buying a pistol and blowing out his brains."

In appearance Mr Emeric was a man of striking and singular presence, nearly six feet in height, spare of flesh, and with a lithe and sinuous frame, one with rare powers of endurance, and capable of severe and protracted exertion. His features were sharply outlined, and in their character most expressive, with arched and lofty brow, clear-cut as by a chisel, a well-shaped head, but of somewhat abnormal length, fringed with a plentiful growth of silver-white hair and beard, keen, deep-set, penetrating eyes, prominent



Roman nose, large, firmly clasped lips, and massive chin, indicating the will power and firmness of purpose which were among his strongest characteristics.

In dress he was neat and tasteful, in manner and discourse, when in his better moods, sociable, courteous, and at times jocose and with a strong touch of humor. As a business man he was somewhat close in his dealings, but always with the nicest sense of honor. While accused of penuriousness, he often gave evidence of an opposite character, presenting, for instance, \$500 to the man who captured the first Prussian flag in the Franco-Prussian war. On a single dinner at his Geary street residence he would cheerfully expend an equal sum, setting before his guests the choicest wines and viands, served on gold and silver plate. His associates were of the best and most select, but seldom, if we except the French consul, among his own countrymen, for those whom he had met on these shores he held somewhat lightly in esteem.

Man, it has been said, is a fighting animal, and in a few of the species has this quality been more strongly developed than in Mr Joseph Emeric. While a successful merchant, farmer, capitalist, we cannot but think that he missed his true vocation in life. He should have been a soldier. Had he lived a few decades earlier, we should have looked for him, not in the marts of commerce or amid the retirement of a farm, but in the ranks of the old guard, at Marengo, Austerlitz, Wagram, Friedland. We should have looked for him in the immortal battalion of Cambronne, when closed the dynasty of him who, "ten centuries after Charlemagne let fall to earth the sword and scepter which none but he could wield, took up that sword and scepter, and towering in grandeur over the European continent, chained the revolution in France, unchained it in Europe, and wrote his deeds in gigantic history, whose dazzling lustre is still undimmed."

## CHAPTER XXVIII.

### LIFE OF ORVILLE D. BALDWIN.

TRANSFORMING FORCE—PARENTAGE AND EARLY EXPERIENCES—INFLUENCES OF NECESSITY—ARRIVAL IN CALIFORNIA—HARD TIMES—NOBLE SELF-DENIAL—REMARKABLE BUSINESS CAREER—DEVOTION TO PARENTS AND FAMILY—REAL ESTATE OPERATIONS—PARK PROPERTIES—A HAPPY HOME—CHARACTERIZATION.

FORTY years ago the capabilities of California were scarcely dreamed of. This, the fairest and richest land the sun ever shone upon, was regarded only as a camping-ground for fortune-hunters. Was ever scene so changed in so short a time? The force by which this transformation has been wrought is plainly discernible in the lives of those who have dedicated both talent and industry to the development of the resources of the country. These builders are entitled to recognition, and valuable lessons may be gathered from their experiences. Among those who have builded well for themselves, and whose prosperity has been of advantage to the city and state, is Orville Dwight Baldwin, born August 8, 1843, at Rensselaerville, but reared at Amsterdam, New York. The Baldwin family is a numerous one in this country, being of English origin and coming among the earliest emigrants to New England. Orville's father, Orin C. Baldwin, employed in the insurance business, struggled to support a family of ten children. His mother, whose maiden name was Jane W. Luce, was a woman of great worth, esteemed and loved by all who knew her for her sterling qualities and goodness



*Orville D. Ballouin*



of heart. Hers was a character that exalts every station in life and commands confidence and respect. The subject of this study inherited her disposition and capabilities. His parents were both conscientious, God-fearing people, and he was brought up in a strictly religious way. The family were poor, and there could be no drones in the hive. Full of interest and activity, Orville fell to work at whatever his hands found to do, at an age when nowadays children take their first steps in the kindergarten. It was his lot, as it has been the lot of many leaders of men, in America, and in every other land, to begin life with work. As books furnish information, so labor affords practice, and as numberless instances teach us, the foundation laid in work is often the most substantial.

His early schooling was as it happened, when there were no chores to do. When about fourteen years of age he had the greater part of a year for uninterrupted study, building the academy fires and sweeping the floors to pay his tuition; but he studied as he worked, intensely, and he conned the rudiments well. At noon, with twenty-five newspapers obtained from the first train in from New York, he boarded the train from the west and sold them during the ten minutes' stop at Amsterdam, at five cents apiece, thus realizing a profit of seventy-five cents per day. Saturdays he worked in the printing-office, at sixpence an hour for rolling the weekly town paper. The play he got was mixed in with his work. But he was not urged. With the insight of an older head he comprehended the situation and his ambition was parallel with it. Up to fifteen years of age he worked at whatever fell in his way, cutting carrots and broom-corn, making wisp-brooms, etc. About this time Signor Blitz, the celebrated magician, visited Amsterdam. He employed Orville to post his bills, and finding him apt he took him on the stage as his confederate and taught him his tricks. He learned them perfectly.

Later, with the aid of a friend who provided the

apparatus, he made a tour in the country on his own account, properly heralded as Master Orville Dwight, The Marvel of the Age, etc. The first venture was a dismal failure, and the juvenile magician came back in sad plight, riding on the bumpers between two baggage cars, half frozen and almost famished; but not being discouraged he tried it a second time, returning home with his pockets full of money. Thereafter, with his old school-teacher for agent, he made many successful trips. His father and the other presbyterian deacons held up their hands in horror, but they were made to see that real good could come out of what seemed to them only evil. Yet with all his activity the boy was of slight build, and never strong. A sea-voyage might establish his health, and there were opportunities in California. In the latter part of 1860 he arrived in San Francisco, a total stranger, with fifty cents in his pocket. He had no trade and would do anything he could. He went to Petaluma to look for work, but though he applied everywhere nobody would give him any thing to do even for his board. A dreary introduction this to the land of so much promise. Returning to San Francisco he saw a sign, "A good waiter wanted." He hardly knew a beefsteak from a mutton-chop, but he applied boldly for the coveted position and got it. He was soon in the swirl for fifteen long hours a day, at twenty dollars a month. But he saved all of it; sleeping on the floor all winter with his overcoat for covering and his satchel for a pillow. His savings went regularly to his mother. Such behavior it strikes me is heroic—a test of real nobility. His father died, and he sent home all the means at his command, leaving himself completely destitute.

Shortly after this his health was entirely broken down, and he was compelled to cease restaurant work. Then the world seemed cold indeed, but he did not despair. After passing a wretched night in the exposed vestibule of a bank—singular conjunction of



opulence and destitution—in the morning he applied for the privilege of working his passage to the Sandwich islands, in the hope that the sea-voyage would restore his strength. The master of the bark refused him, but an appeal to McRuer and Merrill, the owners of the vessel, was successful. Having fairly regained his health he returned to San Francisco. His first employment was in a laundry, carrying loads of damp clothes and spreading them out to dry. A terrible ordeal for his state of health, but he could not be idle and live, and there seemed nothing else for him to do. His next experience in a box factory was scarcely an improvement, for besides the severe labor he was obliged to perform he ran to and from a distant restaurant and waited on the table a half-hour between twelve and one o'clock, thus earning his three meals for the day. This would have been too severe a tax even had he been stout, but he was not, only his spirit kept him up.

Oh, how he must have longed for better times; if he could only get a start! But hope never dies, and the sombre cloud which overshadowed him began at last to reveal a silver lining. The keeper of the restaurant made him his clerk, at fifty dollars a month, but long hours and no future. Next he was offered a situation in a Third street fruit-store. The pay was less, but he accepted it for the chance it offered him to rise. His judgment proved good. By prodigious labor and conscientious devotion to his employer's interests, he commended himself, and was given a share in the business. His profits for the first month of the partnership amounted to \$150. After a year his partner taking to the tobacco trade, then very profitable, left Baldwin alone to deal in fruit. In response to activity almost incredible, his profits jumped up to \$600, \$700, \$800, and \$938 per month. How precious the first \$1,000, more important than the hundreds of thousands that it leads to. He had laid a sure foundation on which to build. Then came the

blighting news of his mother's death. Her spirit, which had been with him in all his trials and dwells with him still, called him back to the scenes of his youthful struggles. Leaving a clerk in charge of the business, he took the next steamer for the old home.

With the manly determination to keep the family together, and gratefully declining all proffers of assistance, he brought out his four sisters and a brother, the eldest of whom was about fourteen years old, and gave them with himself a home here, from which they have all gone out to take places of respectability and influence in society. The mere statement of this fact suggests a volume to the student of character, and need not be commented upon at length. In later years, referring to this incident, the *Amsterdam Recorder*, the old paper on which he used to work Saturdays, published the following article: "A little over eighteen years ago a young man of about eighteen years of age started for California, penniless and in ill-health. Through pluck and indefatigable perseverance he was enabled in the course of six years to return to his native town for his then orphaned family, to transfer them to the golden state to share his prosperity. During these initiatory years of bread-winning—through sickness and varying fortunes—he remitted regularly to his dear, patient, grateful mother, enough money for her comfortable support. She died suddenly, leaving to her noble boy her dependent children. After another lapse of about twelve years he passes through town, en route for Europe. Leaving his wife and two children in Philadelphia with friends, he takes a three-months' tour through Germany, Switzerland, and France, returning via Amsterdam to shake hands once more with his friends, his wife and children accompanying him. No one, not even the most mercenary, envies Orville D. Baldwin his hard-earned well-deserved riches, or the marks of distinction which are the concomitants of such a career as his has

been. Let our young men take courage from Mr Baldwin's example, shun evil associations, and push ahead, no matter what discouragements beset them."

When he had accumulated some \$10,000, and being then master of the restaurant business in all its details, he abandoned the fruit trade and bought the old New York bakery on Kearny street, a pioneer restaurant in which fortunes had been made. The street was being widened, however; confusion prevailed in the neighborhood, and he lost steadily fifty dollars a day for six months; but when at last the repairs were finished, the tide turned, and he made \$100 a day. He conquered success, but the effort was a severe tax upon his vitality. For rest and relief he went into the wholesale grocery trade, and among the commission houses with which he dealt was that of McRuer and Merrill, the firm on whose ship he had worked his passage when a boy.

He next opened the Baldwin dining parlors, on Geary street, between Kearny and Dupont streets, the success of which was unprecedented. Aspiring always to lead he brought to bear all his resources. And in no instance in the history of development on this coast is displayed more genuine genius and ability than in this solution of one of our great economic problems. A whole treatise might here be presented on the philosophy of feeding. Furnishing three daintily served, substantial dishes for twenty-five cents, brought crowds to his parlors, on many occasions more than he could accommodate. By his skill as caterer and tact in management his restaurant shortly became the favorite eating-place of the respectable, genteel people of the city. This achievement, by which the reputation of San Francisco restaurant life was improved and a large portion of the community, thousands every day, provided with perfectly cooked and appetizing food, was won at fearful sacrifice of health. At the close of fourteen months, completely worn out, he was forced to give up the restaurant,

and he resolved then never to subject himself to such a strain again ; but so far as money could compensate him he was repaid, for he retired with a handsome fortune.

Then came a profound rest for a year. Taking with him his wife and children he made another tour of Europe, but the spirit of the trader was never dead in him. On his return he had an hour at Omaha which hung heavily. Having \$1,500 in his pocket he went out and bought butter at six cents, selling it at twenty-one cents a pound in San Francisco ten days later. On another occasion when about to leave the east for home, and looking forward to the Fourth of July in San Francisco, he shipped toy torpedoes at forty cents a thousand, and when they arrived here disposed of them in case at \$1.75. His travels gave him back his health. He had earned a life competency already, but he could not be idle. He always had a supreme faith in San Francisco, which he believes will finally surpass any other city in the world in size and wealth. He had invested in real estate whenever an opportunity offered, and seldom a year passed that he did not build, he being his own architect and contractor. He would make real estate his regular business. Herein I find his wider factorship in the history of the city, hardly more than begun, though most pronounced. Through such agency the city's growth is promoted, money brought out of hiding-places, coin circulated, homes made, comforts multiplied, and civilization advanced.

In February 1886 he opened a real estate office on Montgomery street, contrary to the advice of friends, who said there were hundreds already infesting that locality who scarcely made a living. This was largely true ; still, before the close of 1889 he had made upwards of a quarter of a million dollars, just doubling his capital in three years, and had his affairs in such condition that he had a better prospect of a million more in the next few years than he had had of his

first profits. He has certainly been very successful. Everything seemed to turn to gold in his hands. Yet chance has cut no figure in his success. To his new venture he brought first of all a faith amounting to enthusiasm, a faith born of judgment; to faith he added his characteristic industry, and a sterling integrity, which is after all a prime factor in every worthy achievement. His earliest real estate venture was made when he was nineteen years of age. Trembling like a leaf with excitement, but with unshaken confidence, he put \$1,500 into twenty by eighty feet of sandhill on Sixth street near Howard. In a year he sold it for \$7,500. This, too, when crokers prophesied that it was only a question of time when grass would be growing in the streets of San Francisco!

In 1879 he tried to induce a friend to buy blocks south of the Park panhandle, then held at \$5,000 a block. He looked at the sandhills and laughed at the suggestion, making the remark: "We will not live long enough to see a house in that section." Two of those blocks are worth now \$140,000 and \$120,000 each, and not one less than \$100,000. In his monthly real estate paper in 1887 he predicted that blocks fronting the Golden Gate park on the south, then selling for \$1,000 each, would be worth \$50,000 in ten years; being criticised for this statement by a prominent real estate man he raised the figure to \$100,000. The appearances in 1889 confirmed his estimate. To the district south of the park he has devoted special attention, and sold more of it than perhaps all other agents combined, though his operations have not been confined to any locality. He has a large holding in that locality, also, north of the park, and other property in many parts of the city. He is associated with other enterprising men in developing the Potrero, the flats of which are destined soon to become the sites of foundries, machine-shops and planing-mills, and its hills the homes of artisans. It is one of the things that may be calculated upon as the direct result of activity



like his in opening up the city by improvements on the sandhills of the southwest and the hitherto dormant Potrero district, that Sixteenth street will be opened from bay to ocean, forming the grandest avenue in the world, eight miles in length on a perfectly straight line.

Mr Baldwin is a member of the board of directors and finance committee of the American Bank and Trust company of San Francisco.

Thus engaged, he has no time for the distractions of the club-room, the fraternal lodge, or other social organizations. His leisure is spent at home, where alone perfect repose is to be found. He is of genial temper, but above all domestic in his tastes. For much the same reason he has taken but slight part in politics, beyond that of expressing his views and voting according to his judgment. He has been solicited to stand for municipal office, but never could put himself in sympathy with professional politicians. He has always been an ardent republican; as a boy he carried a banner for Lincoln in 1860, and cast his first vote for him in 1864. He was reared in a bible atmosphere, and has striven to be a true and practical Christian, and while amassing temporal riches, to lay up treasures where time can have no influence over them. He was one of the prime movers and chief workers in organizing the English Evangelical Lutheran church in this city, the first on the Pacific coast, and in securing their beautiful house of worship for this society on Geary street.

He married in 1873 Miss Millie Eva Wehn, whose parents, Mr and Mrs Charles F. Wehn, were early emigrants to California from Philadelphia. She has proved in the best and fullest sense of the word a helpmeet for her husband, loyal, wise, and brave. With fine natural endowments improved by study and travel, and a thorough housewife withal, she presides with grace over their beautiful residence on Pacific avenue, filling her place in the society of San



Francisco as her husband his in business. She is devotedly fond of art and has received marked praise from the critics for various specimens of amateur painting. Their daughter, Blanche Evelyn, and their son, Orville Raymond, are choice samples of California stock, responding faithfully to the care and solicitude bestowed upon them—children who give promise of much happiness to their parents.

How can I properly measure this man, who, beginning the battle of life in childhood, weighted with the sense of responsibility at an age when most children are still in leading strings, taking no part, nor desiring any in the diversions of youth, except such as accompanied his work; who, fervent of soul but feeble of body, undismayed by the premonitory symptoms of organic disease, goes away from home into a strange and distant country without money or friends; who, holding himself second in mind always, contends manfully against a sea of troubles, enduring without complaint the extremities of ill-fortune, but who wins the hard fight, at last, and wins it gloriously, conquering in every position against a host of bright and active competitors—not only victorious in the Napoleonic sense, but possessing throughout a conscience void of offense! Mentally gifted with keen, quick insight into the nature of men and things, as swift in act as in thought, he has seen his opportunities and grasped them. Will-power, determination, grit, tenacity of purpose, such as he has displayed are rare qualities, inborn but capable of development to a remarkable degree. He has won by self-help and so may all; to a certain extent labor conquers all. There is no royal road that leads to distinction in anything. In the wide range of my study of the strong, highly individualized men who are representatives of the great things done on this coast, I have no knowledge of any other career that is similar to his, or serves to demonstrate so completely the vitality of moral force. "That which raises, strengthens, and dignifies a country,"

says an eminent author, "is not an aristocracy of blood, of fashion, or of talent alone, it is an aristocracy of character." If this author had had Mr Baldwin personally in view he could scarcely have written anything more applicable to him. The facts and incidents herein presented are sufficient to give a fair idea of the man. His deeds speak louder for him than can any words of mine.





*C. A. Phillips*

## CHAPTER XXIX.

### LIFE OF CHAUNCEY HATCH PHILLIPS.

HUMAN PROGRESS—USES AND ABUSES OF BIOGRAPHY—CALIFORNIAN CHARACTERISTICS—PARENTAGE, EDUCATION, AND EARLY CAREER—ARRIVAL IN CALIFORNIA—COLLECTOR OF INTERNAL REVENUE—THE BANK OF SAN LUIS OBISPO—REAL ESTATE OPERATIONS—THE WEST COAST LAND COMPANY—APPEARANCE—WIFE AND CHILDREN—PHYSICAL AND MENTAL TRAITS.

WHATEVER may be said in favor of this fair land of California, or said against it, this, at least, will not be denied, that it is essentially the land of progress ; progress in the material sciences, in mechanic arts, in business methods ; progress, indeed, in everything, unless it may be in the science of honest government. Whatever was best in eastern or old-world countries has been adopted and improved on in the Golden State, and nowhere else has such ability been displayed in applying to local conditions the lessons of experience. Nowhere has the advance in new directions been so rapid and continuous, and nowhere the adaptation of old and familiar methods so numerous and efficient. By their detractors the people of California have been accused of many faults, both real and imaginary, but never, with justice, of want of enterprise. It is here, on the contrary, that we must look for some of the greatest achievements of our time in every department of industry. Here in this hive of human industry, in whatever direction it be applied, will be found the very embodiment of progress, and here the highest developments that human skill has reached.

If there is one law of human progress more clearly defined and unquestionable than many others, both as to its existence and its operation, it is this: that out of the undiscovered and inexhaustible depths of human intelligence, whatever human necessity may require or human opportunities afford scope for, the supply is always forthcoming at the right time. Whether it be manhood or machinery that is needed to prevent a pause in the onward march of the column of human progress, the leader of men or the appliance for men's use fulfills the destiny of the hour, and the man or the machine is prompt to respond. All great inventions are born of pressing human wants. When the post-rider and the semaphore are inadequate to human needs, or even human wishes, there is quickly germinated in some man's mind the locomotive and the electrified wire. When the advance of American settlement had hewn its way through the forests of the north-west territory, and obtained a foothold in the immense prairies of what is now known as the state of Illinois, it was possible to sow vast areas of grain by the simple process of plowing a virgin soil, which required no clearing of timber nor pulling of tree stumps.

Then it was that the hitherto sufficient sickle was found inadequate to man's wants, and in the quickened brain of McCormick was born the crude outline of the present reaping machine, and the flail and winnow began to give place to that modern structure of cogs, eccentrics, and belts that now takes the ripened sheaves, threshes, winnows, and sacks the golden grain, rejecting the straw, the chaff, and the inutilizable refuse. So it is with leadership in human enterprises. There never yet was a forlorn hope required for the salvation of an army that failed to find a brave man to head the attacking column; no problem in physics has been too intricate for some masterful mind to solve it, and what one generation has pronounced to be impossible in engineering.



another has accomplished, and so has opened the way for still more stupendous achievements. Always the hour and the man are contemporaneous.

The chief use of biography is to illustrate this truth ; and there are myriads of lives whose experience has been so confirmatory of it that its philosophical worth has degenerated into fetichism, and for natural adaptedness and born leadership the common speech has interpolated the terms luck and fate. But the truth holds good, and may be philosophically discerned in multitudes of lives that are classed as fortunate or conspicuous, and estimated only by their subjective results to their possessors. But for this end to be served, biography would often become simply eulogy, or the charlatanism of notoriety. With this end kept steadily in view, men's lives can be made useful beyond the accrued results to their bank accounts or the heights to which they may attain in purely friendly estimation.

This so-called new world of California is full of lives that have had more significance than is involved in the struggle for existence or the scramble for wealth. No other shores than those of the Pacific have ever seen such varying and intense demands upon human intelligence, strength, or adaptability to meeting emergencies, or afforded such opportunities for the display of those qualities. The search for gold, the transformation to the granary of the world, and last, the creation of veritable gardens of the Hesperides in the valleys that margin the many water courses of the state, have all called new sets of faculties into action, and opened new avenues for human exertion. When landed possessions were estimated by the Spanish league, and were valued only for vast cattle ranges, there was room for the monarch over brute beasts ; but as the cultivation of fruit, olives, and the vine called for a readjustment of landed estates there came a demand for kings among men, anointed by nature with the royal instinct of perceiving how

added values could be created by an increased value of products.

It is less than two decades of years since the conviction began to be formed in the minds of Californians that more valuable uses might be made of the soil of the state than to rifle it of its mineral treasures, or devote it to twenty league cattle ranges or thousand acre wheat fields. Then, or shortly afterwards, there appeared on the scene the inevitable politico-economic quacks with their nostrum of agrarian legislation, which the good sense of the majority rejected. But while no legislative enactment attempted the revolutionary wrong of confiscating large estates, which had been acquired when seven league grants of land could be had for the asking, gradually the sentiment increased in favor of small land-holdings devoted to horticulture and viticulture. A mere sentiment may be powerless, but when it began to be seen that compliance with this modern idea would be profitable both to seller and purchaser, the era of land division and subdivision was commenced.

One of the rights of C. H. Phillips to be regarded as a representative man in the new era of California is embraced in the extraordinary success he has achieved in this important work of subdividing large areas of land, and making them the sources of a hundred-fold increased value in the commonwealth of the world. In order to a proper conception of his characteristics, and a fuller appreciation of what he has wrought, it is necessary to go briefly into details.

Chauncey Hatch Phillips was born in Wadsworth, Medina county, Ohio, July 5, 1837, of English ancestry. His parents were of that class of pioneers who, fifty years ago, were in Ohio the advanced pickets of the grand army of American civilization. Having received all the educational advantages afforded by common school and academic training in Ohio and Wisconsin, to which latter state his parents

removed, he was thrown upon his own resources at the age of sixteen years.

His younger days were spent in the pursuits of farm life, an experience, judging from results, worth more than any college education in the land. What a large proportion of those who have risen to eminence in America have had this same experience! There is something in farm life for young men, in that equipoise of body and mind, and that adaptiveness of means to ends springing from a development under intelligent action and healthful environment, which brings forth inherent qualities of mind and heart such as seldom germinate in a hot-house or expand in lusty growth amidst the confinement and conventionalisms of the city. It was here that Mr Phillips acquired the knowledge and habits which gave him such marked success later in life.

Thus, his early life tended to develop in him a true manliness, in which term we include, perhaps, most of the virtues and but few of the faults incident to humanity—intelligence of mind, independence of spirit, kindness of heart, with sterling straightforwardness and integrity. And that is about all a man wants to carry him successfully through this life.

In 1864 he was a passenger on the famous steamship *Constitution*, commanded by the equally famous Commodore Watkins, and landed in San Francisco on the 18th of March of that year. He selected Napa as his place of residence, and soon obtained a position in the bank of James H. Goodman & Co., in whose employ he remained for five years. During a part of that time he discharged the duties of chief deputy collector of internal revenue of the Napa district so faithfully and efficiently that when Dr Carey was made collector of the second district, Mr Phillips was tendered, and accepted, the position of chief deputy, and removed to San José, where he remained until the consolidation of the first and second districts,

when Mr. Phillips was again appointed chief deputy at San Francisco of the consolidated districts, and continued in that official position until his final change of residence to the county of San Luis Obispo. He resigned from the internal revenue service on the 30th of November, 1871; and it gives an insight into the correct business habits of the man when we find that, notwithstanding the collection of internal revenue amounted to millions annually, all the accounts were settled satisfactorily to the government within ninety days, contrary to the usual custom of delay and entanglement which have been common in the discharge of the duties of that part of the public service in California.

For some time previous to his resignation from the internal revenue service, Mr Phillips had learned, from H. M. Warden and others, about that portion of California designated as the county of San Luis Obispo. Personal examination confirmed his favorable opinion of this section, and in the autumn of 1871 he removed with his family to the town of that name, and engaged in his former calling of banker, in partnership with H. M. Warden, under the firm name of Warden and Phillips. After doing business for two years, this firm was dissolved in 1873, and Mr Phillips organized the bank of San Luis Obispo, with a paid-up capital of \$200,000. During the four succeeding years he was cashier, and for one year president of the bank; but in 1878 he met with business reverses and resigned his connection with the institution.

The great financial panic in 1875, caused by the failure of the Bank of California, was followed by a stringency in financial affairs which paralyzed business throughout the Pacific Coast, and nearly all the banks throughout the interior suspended payment. Owing to the care and financial ability of Mr Phillips, the Bank of San Luis Obispo was not obliged to close its doors, and never once refused the payment of any indebtedness to the extent of a single dollar.

As it has been observed in the career of many other men, his seeming misfortunes were but stepping stones to larger prosperity and wider usefulness. The era had begun, of which we have already written, when many things were combining to reverse all the former precedents as to land-holding, and peacefully and advantageously to themselves, the owners of large and profitless Spanish grants were beginning to consent to their segregation. The fruit and wine industries, although then in their infancy, and even now far from the full maturity of development, had already demonstrated their adaptability to our soil and climate. His native quickness of perception, and cultivated business sagacity, inspired Mr Phillips to be one of the first to forecast the destiny of the portion of the state in which he lived, and he turned the same methods and equal energy, that had made him a reputation in matters of finance, to the broader work of converting large areas of land into small holdings.

He put this plan into effect with the Morro and Cayucos ranchos, consisting of 8,000 acres, lying along the sea coast, where the towns of Morro and Cayucos are now the centres of some of the most prosperous dairy farms in the world. Then, in 1882, he devoted his energies to disposing of the rancho of the Steele brothers, containing 45,000 acres, and in less than twelve months every acre of that great body of land was sold, to be transformed into smaller but highly productive orchards, vineyards, and farms.

The next year he bought for \$315,000 the Huer Huero rancho, of 46,000 acres, situated in the northern part of San Luis Obispo county, in a region almost unknown and entirely misunderstood, which, since it has been reached by the Southern Pacific railroad, has proved to be capable of development as an orchard, vineyard, and olive growing country, in some respects superior to any even in California, especially in the matter of rainfall, which is abundant enough to obviate the expensive necessity of irriga-



tion. This purchase was the very first movement out of which has since grown a development that has attracted wide attention, and led not only to changing the character of a thousand square miles of territory, but to the building of three prosperous towns, and the immediate prospect of three more, with all the concomitants of civilization, in churches, schools, commerce, and diversified industries. To his forecast, perception, and courage in undertaking the purchase and subdivision of the Rancho Huer Huero are directly traceable the present condition of a region that, which, without fictitious and feverish excitement, is a marvel of social development and all its limitless potentialities. With his usual energy he had subdivided, mapped, and so nearly sold the Huer Huero rancho by the close of 1885, that he began to look about him for more worlds to conquer.

In March 1886, we find him one of five men incorporated as the West Coast Land company, and, with his associates, the purchaser of 64,000 acres, comprising six-sevenths of the Rancho Paso de Robles, the whole of the Rancho Santa Ysabel, part of the Rancho Eureka, and 12,000 acres of his former purchase of the Rancho Huer Huero. The history of this latter enterprise deserves some elaboration, as it has not only had a most beneficial effect in the settling up of an hitherto neglected, but very fertile, portion of the state, but has also given an impetus to other great enterprises for fostering immigration to, and development of, the matchless natural advantages of California, the effects of which will be seen from this time forward for a century to come, in transferring the title of the empire state from the storm-swept and bleak shores of the Atlantic, to the more genial and sunny slopes that lie along the Pacific.

In fulfillment of his mission of leadership in enterprises of the kind, C. H. Phillips was the projector of the plan which finally assumed organic form as the West Coast Land company; but due honor belongs



to certain other far-seeing men, who shared his belief and aided with capital to make it reality. These were : George C. Perkins, one of the wisest and most efficient governors of California, and identified with many leading social, commercial, and useful associations for the welfare, the fame, and the credit of the state ; John L. Howard, well known, among other responsible positions filled by him, as an efficient executive officer of the Oregon Improvement company, a corporation which controls several railroad and steamship lines on the Pacific ; R. E. Jack, president of the First National bank of San Luis Obispo, and Isaac Goldtree, a prominent officer of the same bank, and a well known capitalist and merchant. These and C. H. Phillips, five in all, subscribed a capital of half a million of dollars, and having purchased the ranchos enumerated, put surveyors into the field, and when the extension of the northern division of the Southern Pacific company had been completed from Soledad to Templeton, the whole large area had been subdivided, mapped, and scheduled. The locomotive first reached that point on the railroad which is now known as Templeton, on the 31st of October, 1886, and from that hour to this eager seekers for the valuable lands of the West Coast Land company have gathered there and increased, until the lonely cattle ranges have become populous with families, animated with industrial energy, and the foundations have been securely laid for a resident, thrifty, and prosperous population, equal in density and real wealth to that of the Santa Clara and Napa valleys.

This instance of his abilities, by no means solitary, but forming one link in the chain of a successful career, entitles C. H. Phillips to rank among the leaders of men with which California is blessed, and to whom it owes so much for its present prosperity and the splendor of its prospiciance. His personal presence is dignified and commanding, and has about it that nameless something that marks a man with

the subtle stamp of a regality which is nobler in a republic, where it is based upon the best qualities of manhood, than under the tawdriness of ill-worn robes and the faded glitter of hereditary and unearned tinsel.

According to the rule laid down by Lord Bacon, Mr Phillips "hath given hostages to society," having married on the 18th of January, 1862, Miss Jane Woods of Fond du Lac, Wisconsin, and becoming the father of seven children. The union was a specially happy one. Mingled with good, practical common sense is a natural refinement and elevation of character which lends the greatest charm to woman. Domestic in her tastes, she devotes herself to the requirements of her children, the cultivation of whose minds has ever been her constant care. Her native clear-sightedness and generally correct estimate of men and affairs have been of great benefit to her husband, who values above all her advice and kind assistance. Her father, a native of the city of Dublin, Ireland, came early to the United States, and settled in Boston. He married Miss Mary Delaney, also a native of Ireland, at Montpelier, Vermont, where Mrs Phillips was born. Mrs Phillips was baptized in the Episcopal church, the faith of her father, whose distinguished qualities of culture and refinement she inherits. Mr Phillips' eldest daughter, Mary Woods, was born at Fond du Lac, Wis., January 10, 1863, and being happily married to Henry A. Sperry of historic name—among the founders of Stockton—has conferred upon the heads of the house the domestic dignity of grandparentage. The other children are Jane, born at Napa September 17, 1867; the third daughter, Eliza, born at Napa August 29, 1869, was married March 28, 1889, to an English gentleman, Horace Annesley Vachell, educated at Harrow and the Royal military college, Sandhurst; who exchanged his sword as an officer in the English army for the pruning fork of a California rancher. He settled in this country in the year 1882. Chaun-

cey Hatch, Jr, born at San Francisco August 28, 1871; Josephine, born at San Luis Obispo January 24, 1874; Chester Delaney, born at San Luis Obispo September 10, 1876; and Nelson Burnham, born at San Luis Obispo September 15, 1881.

Six feet one inch in height, and squarely built, with a weight of 210 pounds, Mr Phillips steps with an easy, elastic tread, and is graceful in all his movements. His head is large, well formed, and set on broad, deep shoulders; perceptive and reflective powers well developed; nose prominent and perfectly formed; with eyes large and bright, and of the superlatively gray color, which light up well when called into action, but quieting materially with the repose of mind. The hair, before time began frosting it, was auburn.

Hence from features, physique, and intellectual force we are not surprised to find vast capabilities of work, physical and mental endurance, energy, and the spirit of enterprise. He has a commanding presence, which, when backed by intellect and cultivation, is more than half the battle of life. His carriage is erect, kingly; he is a man to admire and trust, but not to be easily put aside or turned from his purpose after having decided on what he deems the right course. His mind and manners display breeding; and emanating from that good old, substantial puritan stock of English extraction, he has proven himself a worthy representative of a people who laid the foundation of civil and religious liberty in the new world. He has thrown his influence with the ancient and honorable fraternity of masonry, and has attained to the degree of knight templar.

He has taken a lively interest in the promotion of public education and the public morals, has given time and money for the erection of educational institutions and churches, and is an adherent to the faith of the presbyterian church, although in matters theological, as in all things, he is broad, liberal, and generous.

And so we leave the subject of this brief memoir, in the full flush and prime of unimpaired vigor of manhood, having scaled enough of the heights of human endeavor to warrant the belief that grander and loftier summits will not prove inaccessible to his untiring effort, methodical painstaking, and established reputation for integrity, foresight, and energy.

## CHAPTER XXX.

### COMMERCE—COLORADO.

**EARLY TRAFFIC—OPERATIONS OF THE FUR TRADERS—ESTABLISHING OF FORTS—SOME ADVENTURES OF TRADERS—SANTA FÉ TRADE—PASSAGE OF CARAVANS AND INCREASE OF TRADING POSTS—CALIFORNIA GOLD SEEKERS—GOLD IN COLORADO—BIRTH OF TOWNS AND INFLOWING OF MERCHANDISE—BANKING—PROGRESS AND DEVELOPMENT.**

AMONG the first trappers who entered the territory now included within this state was James Pursley, of Bairdstown, Kentucky, who had passed up the Platte in 1803, and thence proceeded to Santa Fé, where Lieutenant Pike encountered him in 1807. The same path was followed in 1804 by the French creole, La Lande, who journeyed up the river Platte in charge of a shipment of goods, but passed on to Santa Fé, there to establish himself in business.

In 1807 Ezekiel Williams entered this region with a party of twenty men, intending to cross the continental divide and reach the Pacific. The Indians were provoked to hostility, however, and nearly all were cut off, a mere remnant surviving at the close of the season. Williams returned in 1809 to recover the furs which he had placed in cache on the banks of the Platte. Meanwhile Workman and Spencer had crossed from the Arkansas to the Colorado, in a futile search for the Rio Grande. There they joined a caravan on the way from New Mexico to Los Angeles, returning with the party to Santa Fé.

This ancient Spanish city was rapidly becoming an objective point for American trade, and with the achievements of Mexican independence, and the consequent removal of restrictions on foreign intercourse,

the caravan trade from St Louis and Independence assumed vast proportions. On account of the persistent hostility of the Comanches military escorts accompanied the expeditions, and forts were erected at different points, among them being Bent's trading post, which was purchased by the government. The traffic was of no little advantage to Colorado, for although it passed only through the south-eastern corner, certain benefits accrued to the settlers along the Arkansas, and traders in the interior were enabled to obtain their supplies from the caravan, or avail themselves of its escort for the protection of their consignments from the eastern states.

For a time fur traders were checked in their advance by the monopoly granted to Manuel Lisa, a Mexican subject, of all the Indian trade west of the Missouri. Others gradually encroached, however, on observing the impotence of the southern authorities, and by gaining the favor of the native tribes fully maintained their ground. Among the first to break the monopoly was Peter Choteau, who not long afterward became the fur magnate of the south.

Among less important men was James P. Beckwourth, born in Virginia of a slave mother and an Irish overseer. His white blood impelled him to flee from servitude, and about 1817 he joined a caravan for New Mexico, entering some years later the service of Louis Vasquez, a rival of Lisa, in Colorado. In this capacity he so ingratiated himself with the Crows as to become their head chief, and as such he gave much trouble to the American Fur company, which had failed to secure his favor. Tired of savage life, he turned guide and interpreter to government expeditions, and after the gold discovery tried his fortune in California ; but certain transactions attracted the notice of the vigilants, and he was warned to depart. The Colorado current of 1859 carried him back to his early haunts, and to the service of Vasquez, this time with a share in the business. Not



long afterward we find him the possessor of a farm and a Mexican wife ; but the lingering spirit of unrest instilled by his roaming life did not permit him to enjoy the tranquility of home. He quarrelled with his wife, relapsed into savage habits, and in 1867 death put an end to his career.

Bridger passed some time in the Arkansas and Platte ere he crossed into Utah, as its first pioneer, there to establish the station that bore his name. With him, perhaps, came James Baker, who after flitting about for awhile, built a home on Clear creek, and is thus recognized as the first American settler in Colorado. Pattie hunted through the Arkansas region before undertaking his remarkable journey to southern California. Peter A. Sarpey, of a French St Louis family, had a trading-post in Colorado, connected with his Nebraska station. Small, wiry, and of a mercurial temper, he sought no higher pleasure than money-making, and to this end was content to live among savages, sacrificing all comfort and refined associations. With him were well acquainted the noted mountaineers, John Paisel, Roubideau, the Autobeas brothers, Pfeiffer, Lupton, Nugent, Cherboud, and Bill Williams. The last, after his explorations in Arizona, returned to Colorado to die at the hands of the Utes in 1850. More famous as an explorer was Kit Carson, whose name lies recorded in Nevada's lake and river, and in the history of New Mexico.

Colonel Ceran St Vrain began trading to Santa Fé in 1824, whence he advanced into Colorado, and there built the fort which bears his name. After the decline of trapping he returned to New Mexico, and died at Mora in 1870. Godfrey and Elbridge Gerry were lineal descendants of Governor Gerry, one of the signers of the declaration of independence. They came to the Rocky mountain region at an early age, there to remain as frontiersmen, and be afterward enrolled among the first settlers of Colorado. God-

frey built an adobe residence on the Platte, known as Fort Wicked—for good reasons, no doubt—and kept a station of the Overland Stage company. Here he maintained a valiant and successful defence against the onslaught of savages during the uprising of 1864, aided by his only brother and the children of his faithful Indian wife. In close intercourse with these men was O. P. Wiggins, a Canadian, who had been seduced from the Hudson's Bay company's service to enter that of the American Fur company. He came to Colorado in 1834, was stationed chiefly at St John, and became a wealthy citizen.

The best known of fur traders in this region were the Bent brothers of St Louis, six in number, John, Charles, William, Robert, George, and Silas. Robert and George died in 1841. Silas joined Perry's expedition to Japan, and made a report to the Geographical society of New York on the warm current which sweeps from the Asiatic to the North American coast. Charles, the first American governor of New Mexico, was killed in the massacre of Taos in 1847. The remaining brothers were fur-traders. William, who subsequently became government freighter, died in 1869, the last of the original firm.

To the Bents is generally ascribed the erection in 1832 of the first important post in Colorado, Fort William, on the north branch of the Arkansas. Yet in 1830, the French trader, Maurice, from Detroit, appears to have built a fortification on Adobe creek, in the same valley. It was formed by thirteen adobe cabins, enclosing a square, in the fashion of the Mexicans, by whom they were chiefly occupied. In 1838 the Utes rescued the place from an attack of Sioux and Arapahoes, who were driven back after an obstinate struggle. The settlement survived until 1846.

Fort William, or Bent's fort, after which the other trading posts were modelled, consisted of an enclosure 150 by 100 feet, surrounded by an adobe wall 7 feet thick and 18 feet high. At the northwest and south-

east corners stood the bastions, 10 feet in diameter and 30 feet high, with openings for cannon and small-arms. A partition wall divided the interior, two thirds of which was devoted to the necessary shops, storehouses, and dwellings, the remaining third being a corral for securing the horses and mules at night. Adjoining the western wall was a wagon-house for the large vehicles used in conveying peltry and merchandise to and from St Louis. The tops of the houses were flat, and covered with gravel, serving for evening promenades. There were about three score persons connected with the establishment, and here was a favorite resting-place for travellers.

Of similar date was the post of Louis Vasquez, at the junction of Vasquez fork, or Clear creek, with the river Platte. Five miles below lay Fort Sarpy, erected soon afterward. Twenty miles below Clear creek, on the Platte, Lupton founded Fort Lancaster, which is still in a fair state of preservation. Fort St Vrain, at the confluence of Cache le Poudre river with the Platte, was constructed in 1838. Below this the Bent brothers had also a post. On the Arkansas Colonel Boone held the post known as Hardscrabble, also built in 1838. Another stood on the site of Trinidad, in Las Animas, and a few miles above Bent's fort lay the agricultural settlement of El Pueblo, occupied by Mexicans and Americans, and similar in plan to the rest. So thickly clustered rival stations during early trading times. In the beginning of the forties a number of traders, including Bent, Lupton, St Vrain, L. B. Maxwell, and Beaubien founded another settlement higher up the Arkansas, on Adobe creek, the last named being in possession of a large grant. It was destroyed by Indians in 1846.

During this decade the trappers and traders began to disappear, partly through the exhaustion of the hunting grounds, partly under the hostility of the natives, who having few skins to exchange for the supplies within the forts, sought to obtain them more

promptly by seizure. Roubideau's fort was captured by Utes in 1844, and soon afterward fell Bent's fort, the male inmates being slaughtered, and the women and children made captives. In 1846 the war with Mexico aroused the savages to still wider depredations among the lessening number of occupants. Frémont found, in 1843-4, only a remnant of the traders and their former employés, living as colonists in a primitive fashion, with Mexican and Indian wives and half-breed children, usually clustering round some defensive structure.

After 1848 the current of migration made itself felt by traversing to some extent the southeast corner, along the old Santa Fé road. Even the main body, which passed near the northern border, along the Platte, proved of benefit to the dwellers on the south Platte by offering a market for supplies, and attracting a few worn-out stragglers. A decade of comparative isolation, and then came the gold discovery, here also to attract its throngs of adventurers, beginning with the year 1858. On account of the greater proximity to the Atlantic states, the first rush of fortune-seekers surpassed that which had poured by land into California during any one season. Only the state of Kansas, already widely occupied, intervened between the new field and Missouri, the chief outlet for the migration, while the Santa Fé route was now well protected by forts and escorts. Freight trains and stages quickly responded to the excitement, opening a new and direct path along the Smoky hill fork to the foot of Pike peak, and thence northward and into the ranges; or taking the main western emigrant route, and thence descending along the south fork of the Platte.

Thousands of wagons stretched in almost unbroken line along these routes, and conspicuous among them were the trains of Russell and Majors, of St Joseph, who carried goods for others as well as for themselves, storing them at various depots, or selling them to re-

tail traders. They also entered into competition with stages which carried the mails at special rates. The freight on provisions ranged from six to ten cents a pound, but that mattered little, for when gold was plentiful buyers were liberal. Prices rose to extreme figures during the winter of 1863-4, when to the war rates prevailing in the east was added the delay of trains by snow blockades and by Indian raiders, who captured some of the trains, and left others stranded by stampeding their animals.

Relief came soon afterward, and that of a permanent nature, for by 1866 Colorado had become self-supporting as to agricultural products, and began in the following year to export to Montana, prices falling gradually almost to eastern rates. Owing to the lack of suitable outlets, the market for farming products was almost entirely restricted to mining camps and other centres of home consumption. To stock-raising there was no such drawback, and within recent years this business has risen to a prominent rank among the industries of the state. Gold and silver form, of course, the main articles of export, while imports embrace almost every class of manufactures, for the country is as yet too recently settled to have made much progress in this direction. With a view to foster her growing commerce, Denver has been made a port of delivery, so that her merchants may import direct from foreign countries. Here a chamber of commerce was organized as early as 1861, and after some mishaps acquired a stable footing in 1862. Two years later a handsome structure was erected for its accommodation, a portion of it being used as an exhibition building for the display of agricultural and manufactured products, of scientific specimens and apparatus, works of art, curiosities, and other articles illustrating the resources of the state.

Banking is hampered by no usury laws, borrower and lender being allowed to make their own terms.



In 1886 the usual bank rate was twelve per cent, and for special loans much higher figures were charged. In 1883 there were eighty-three banking-houses in the state, two of which were national banks, with a capital of \$1,640,000, and deposits amounting to more than \$11,000,000. There were also 14 state banks and trust companies, with a capital of \$616,000, and 47 private banks, with \$775,000 capital, besides a number of savings institutions. Six banks at Denver had a capital of about \$2,000,000, and \$8,000,000 in deposits. The fire insurance companies carried policies for \$33,000,000, while life policies amounted to \$29,000,000, and there was \$1,000,000 of insurance against accident or accidental death.

After a period of depression extending from 1883 to 1885, Colorado entered on a career of prosperity, which has since been steadily maintained. This was due largely to the influx of farmers from the western states, and to an extensive system of irrigation, with many thousand miles of main and lateral canals, watering in 1890 an area of more than 2,000,000 acres, of which about one half was under cultivation. To the commerce of her cities this development has given a decided stimulus, and especially to Denver, whose population increased from 75,000 in 1886 to 125,000 in 1890; her trade from \$79,000,000 to \$144,000,000, and her sales of realty from \$11,000,000 to \$44,000,000, transfers exceeding by more than twenty per cent in value those of San Francisco. Moreover this movement was accompanied by substantial improvements, with a number of buildings erected or in course of erection costing several millions of dollars. From freight shipped east the railroads of Colorado have earned within a single year \$7,600,000, with at least \$3,000,000 more from local lines. As the centre of this system, and with other advantages, it has been predicted that at some not very distant day Denver may become the largest city west of the Missouri river.







J. B. Wheeler

## CHAPTER XXXI.

LIFE OF JEROME B. WHEELER.

EVERY MAN THE WRITER OF HIS OWN BIOGRAPHY—BIRTH AND ANCESTRY—  
ENTERS THE ARMY—HIGHLY HONORABLE AND BRILLIANT CAREER—  
SUBSEQUENT BUSINESS SUCCESSES—COLORADO EXPERIENCES—ACHIEVE-  
MENTS AT ASPEN—CHARACTERIZATION.

“I HAVE the feeling that all biography is autobiography. It is only what a man tells of himself that comes to be known and believed.”

So writes Emerson, finding in the books which men have written the best records of their own lives, and the truest portrayal of their characters. It is the scholar's conception of biography, gained within the shelved walls of the study; but it is none the less a true one. Every man must indeed write this autobiography—must himself tell all that can be known of him—but not alone with the pen, and in volumes which contain the creations of his fancy or the philosophies distilled from the complex elements of his mind and heart. The man who builds a railroad, or achieves the industrial conquest of a new region, or puts in bondage some force of nature for the use of mankind writes just as truly by these symbols; and out of these we may translate the temper of his mind, the quality of his intellect, and the dominant traits of his character. And so, while we go to the books of the man of letters for this autobiographic record, in

like manner do we scan the works of the man of affairs. In the pages which follow, I am to present the records of a busy life crowded to the full with effort and achievement; and in these shall be read an autobiography, none the less valuable and interesting surely because it stands written in the solid characters of material accomplishment.

Jerome Byron Wheeler was born in the city of Troy, New York, September 3, 1841. His grandparents on both the paternal and maternal sides came from England, settling in Massachusetts, where his parents were born. From them he inherited a sturdy physique, and the traits which go to make up the staunch New England character. Through his mother, whose maiden name was Emerson, connection is had with the family of the great Sage of Concord.

In his early youth he removed with his parents to Waterford, a small town four miles north of Troy, and at the point where the Mohawk, flowing through a valley whose beauty has made it famous, mingles its waters with those of the noble River of the North. Here he received such education as the public school afforded; and at the age of fifteen began his business career as a clerk in one of the village stores. Waterford was at that time beginning to seize upon its manifest advantages as a manufacturing point; and young Jerome, even then keenly alive to the industrial development going on about him, was naturally soon at work in one of the manufactories then being established, and which by their subsequent growth and prosperity have made a busy town of over three thousand inhabitants, with factories and shops representing an investment of \$3,000,000.

What would have been the result had this career been pursued, which seemed so well begun, and for which he had so great natural aptitudes, we cannot know; but suddenly one day there rang over the land the echoes of rebel guns, and ten thousand

breasts swelled with patriotic ardor. Fast on the heels of this came President Lincoln's call for seventy-five thousand troops which should crush this monster of rebellion; and a few months later, when the shadows of a great impending conflict began to darken the land, came the ominous call for five hundred thousand volunteers to serve three years or during the war. All this time young Wheeler was in a fever of impatience; and on September 3, 1861—his twenty-first birthday, in fact—he walked into a recruiting office in Troy and enlisted as a private in Company D, of the Sixth New York cavalry, of which Thomas C. Devin, who had been in the three months' service as lieutenant-colonel of the First New York cavalry, was placed in command. The regiment's dismal departure from New York—on a flatboat towed by a tug and exposed to a chilling northeast storm—and the long winter in barracks in York, Pennsylvania, was a sorry prelude to the brilliant career upon which, after being mounted at Cloud's Mills, Virginia, it immediately entered. History has recorded the noble service rendered by the Sixth New York. From almost the beginning of the war down to the very end at Appomattox it was almost constantly in the thickest of the fight. Antietam, Fredericksburg, Chancellorsville, Gettysburg, Culpeper, The Wilderness, Spottsylvania, Cold Harbor, Winchester, Appomattox—these are but a few of the sixty or more engagements in which it bore an honored part, fighting through the peninsular campaign and in all the battles of the Potomac, with Sheridan in the valley, and with Grant when the last blow was struck. Among the names upon its long roll of honor is that of the gallant Colonel McVickar, who fell leading the charge at Chancellorsville, which for splendid bravery will take its place in history beside the brilliant deeds of which poets have sung and nations hold in deathless remembrance; and of General John Buford, of whom Grant said that with the single exception of Sheridan the service did not

contain his equal as a cavalry officer; and of the bluff but kindly General Thomas C. Devin, who at the head of regiment, brigade, and division fought through the long years of the war, from Bull Run to Appomattox, and whose ringing command, Boots and Saddles! first gave warning of the rebel approach at Gettysburg. And on that field, made sacred by the blood of twenty thousand Union soldiers, stands to-day a noble monument, still wet from its baptism of dedication, into whose granite is cut many an honored name, and whose bas-reliefs picture forth many a gallant deed—fitting tribute paid by the little handful of survivors to the memory of the heroes of the Sixth New York cavalry.

It was in the ranks of this regiment that Private Wheeler took his place. His youthful appearance, his short though sturdy stature, his polite but energetic bearing, and his evident determination to hold himself aloof from the vice and contamination of the camp, made him a striking figure in the ranks; and even before the regiment took the field he was singled out by Colonel Devin, and transferred to the quartermaster's department with the rank of sergeant. A wiser choice could not have been made; for in the new field thus opened to him there was given opportunity for the exercise of those qualities with which nature had most largely endowed him: method, action, energy, and system. His promotion, therefore, could not but be rapid. From battalion quartermaster's sergeant he very speedily became quartermaster's sergeant of the regiment; and within the year following his enlistment, and hence before he was twenty-two years of age, he received the commission of second lieutenant, and was assigned to the staff of Colonel Devin, and by him detailed as acting quartermaster of the regiment. By the side of his chief he remained from regiment to brigade and from brigade to division, being promoted to the rank of first lieutenant and brigade quartermaster, and at the close of the war was



mustered out with the rank of captain and brevet major.

Of the faithful, efficient, and brilliant service rendered by this youthful quartermaster it is not necessary to write in detail. General Devin entertained for his abilities a high admiration, and placed unbounded confidence in his courage, and in the successful issue of anything he undertook. He was once heard to remark that if the command of the army of the Potomac ever devolved upon him, he would insist that Lieutenant Wheeler be his chief quartermaster. And this was but a well-deserved recognition of the conspicuous success which the young lieutenant was achieving in this most important office. A successful quartermaster of cavalry must possess indomitable energy; and this must be supplemented by thorough self-reliance and a large measure of personal bravery. A failure to exercise any one of these qualities might often jeopardize the entire command; for on long marches in the enemy's country the quartermaster's train is a peculiarly vital point of attack, and the raids made upon it must be repulsed at all hazards. The trains are thus constantly being placed in positions of peril, requiring not only bravery and skill for their extrication, but also a good knowledge of topography. In a word, the office is one which ordinarily demands the ripe wisdom and cool judgment which come from experience. That this mere boy should have achieved in it not only success, but a success most conspicuous and pronounced, is indeed noteworthy. And this is the universal testimony, both of officers and of comrades in the ranks. General Devin, in making a report of the arduous operations of the Second Brigade, first cavalry division, from May 26th to July 2, 1864, says: "Lieutenant Jerome B. Wheeler, first quartermaster of the brigade, has as usual rendered valuable service not only to the command but to the whole division, and I would again urge upon superior authority the claims of this ener-

getic and efficient officer." Says Brigadier General Wesley Merritt, commanding department of the Missouri: "I take great pleasure in bearing testimony to the brilliant record of Mr Jerome B. Wheeler during the war of the rebellion. He was one of the youngest officers of the regiment—the 6th New York—and at the same time one of the most distinguished. His duties—those of quartermaster of the regiment and brigade—were such as were calculated often to interfere with his presence on the field during action; but I know of no important engagement in which the regiment took part—and it was in all the battles of the army of the Potomac or the Shenandoah valley—in which he did not bear a conspicuous part as staff officer. General Devin, I know, was especially attached to him and impressed with his ability and valuable services, and on several occasions made mention of him in his reports as having especially distinguished himself as a staff officer on the field of battle.

"I need scarcely say that the duties of his office as quartermaster were performed in the able and thorough manner which has since been shown in his management of affairs in civil life, and that as an army officer and young man he gave promise of the ability, integrity and enterprise that has characterized his more mature years." Colonel W. L. Heermance bears this testimony: "Major Wheeler's service in our regiment was always marked by a dash and enthusiasm which, combined with good judgment, caused him to be selected among the first for promotion from the ranks. During his service on the brigade and division staff he was always at the front, even when his duties did not call him to the post of danger; and his zeal, tempered as it always was by good judgment, was not surpassed by that of any of those with whom he served." And Major James Cating says: "I had perhaps a better opportunity to judge of Comrade Wheeler's personal bravery than

had any one else in the command, and in all the qualities which go to make up a brave and true soldier I consider he stands second to none."

While the efficient service of our quartermaster was thus gaining official recognition, it was also being heartily appreciated by the rank and file, among whom his promptness and dispatch soon became a proverb; for after an engagement or forced march his trains were always up in advance of most others to afford supplies to famishing men. This reputation soon extended beyond the limits of his own brigade, and the fact was upon several occasions conspicuously shown. In 1864 during the battle of the Wilderness when the headquarters of the Army of the Potomac were at Chancellorsville, an order came summoning Lieutenant Wheeler. Wondering what was in store for him, he presented himself at headquarters, and there received orders which many a veteran would have shrunk from executing. He was told to take command of a considerable portion of the wagon train, and also a large proportion of the ambulance train of the army of the Potomac, the latter laden with wounded, and to conduct them through Fredericksburg to Belle Plain where the wounded were to be started for Washington, and the wagons loaded with supplies for the return. In that train were several colonels, and officers of even higher rank, holding commissions in the regular army; and the fact that to the young quartermaster was confided this important and perilous undertaking is proof that his reputation had reached headquarters, and was there being held in just esteem. The undertaking was indeed a perilous one. Grant was just then engaged in his brilliant, and in the main successful, attempt to outflank Lee, and the issue was more than doubtful. But the trains were nevertheless safely conducted to Belle Plain; and the energetic and orderly way in which preparations were being made for the return trip attracted the attention of an officer from Washington

who chanced to be present. "Can you tell me," he inquired of the first person he met, "who that young man is who is directing this work with such marvellous skill?" "Yes, that is Lieutenant Wheeler," was the reply. "He's the best quartermaster on this ground to-day" was the emphatic rejoinder. And when the trains were safely back to the front, and the days of severe toil and nights of sleepless anxiety were passed, such were the powers of endurance of the sturdy young officer that after but six hours sleep in his tent he arose fully refreshed and ready for the duty which should next present itself.

I might fill pages with such incidents of army life, each illustrating some quality of the man, and which combined to make his career a notable success—incidents which more than one comrade who served with him, and more than one officer under whom he served has told me of, warming with affectionate and generous pride in the telling. And perhaps no subsequent period of his career can furnish material more valuable for the character study which it is my purpose to produce, nor colors with which a truer portrait could be painted. If we are looking for a sustained courage and intrepidity we will find it illustrated in that terrible retreat, under Meade, from Culpeper to Fairfax, with Lee's guns pouring hot shot into the ranks, and the trains in constant and imminent danger of capture. Do we admire fertility of resource, we can find it exemplified in a hundred instances, and notably on this very retreat when, there being more stores for transportation than the wagons would hold, the order was promptly issued that the coal and the horseshoes should be left behind, after the former had been consumed in reducing the latter to a shapeless mass, that neither might fall into the enemy's hands. And if to round out this character we would have the dashing courage which makes possible the doing of brilliant deeds, we will find this too exhibited in his repulse of a sudden attack of the guerilla Mosby who, springing

with his band from an ambush, captured his whole train and was proceeding to appropriate it when Wheeler, rallying such troops as he could muster, led the charge—a pistol in each hand and bridle reins between his teeth—and with such effect that the wagons were speedily recaptured, together with several of the enemy's, and the guerilla chief put to flight. Nor was Lieutenant Wheeler denied a part in at least one of the epoch-making events of the great struggle; for it was he who dispatched his orderly with flying speed bearing to Sheridan the tidings that the army was being pressed back from Cedar creek; and so it came that Sheridan's ride

"To Winchester, twenty miles away!"

glorifies to-day a page of our country's history, and will ever live in the hearts of a grateful people.

I have thus briefly sketched these years of service in field and camp—years which swept along with a killing pace for men less amply endowed, but which served rather to strengthen and develop our strong-sinewed and deep-chested lieutenant. And the careful student of his life can trace in the successes of his after career the play of those qualities and powers which, if not actually called into being by the stern discipline of those four years, were yet given the rapid and well-rounded development for which a lifetime might else scarcely have sufficed. If I may particularize any of these, I name, in the first place, the quality of self-reliance; and next, and scarcely less important, the power to lead and direct his fellows, which in turn implies the rare gift of inspiring an unswerving confidence in the leadership. These, combined with sterling integrity, unflinching determination, and a personal popularity which the lapse of time has but served to increase—so that to-day the mere mention of his name at any gathering of his comrades is the signal for enthusiastic cheers—made his army life a conspicuous success; and it is now my pleasant task to trace their operation in the civil and



business career upon which he entered, and to show how they there conspired to bring about a like notable result.

The war was over. In September 1865 the command was mustered out, and Major Wheeler found himself, at the age of twenty-four, adrift upon the world, and without an occupation. Naturally he made his way to Troy—his old home—where he arrived without a dollar, but with a reputation which threw open to him the doors of such business opportunity as the place afforded. He accepted one of the first positions that offered, which was that of book-keeper. But he soon began to realize that the youth had become a man, that the business possibilities of Troy, which had seemed so alluring to the young Waterford villager, had shrunk somewhat before his broader view; in fine, he felt that new powers had developed within him and longed for the broadest possible field for their exercise. He would be in the thickest of the fight for the world's honors and prizes, and had a supreme confidence that he could win them. He very soon decided to leave Troy; and we are in nowise surprised to find him next in New York city, walking the streets of the metropolis with eager step, and alert to whatever might be turned to his advantage. Among his comrades of the New York Sixth was John F. Barkley, who, several years his senior in age, had taken an almost fatherly interest in the young quartermaster, and felt for him a real affection. And I desire in passing to acknowledge my indebtedness to this gentleman, and also to Mr E. Harris Jewett, as well as to those previously named, for the details of Mr Wheeler's career in the army, and the beginnings of his business life. These, and all others who have contributed facts to this biography, have done so with a cheerful alacrity which affection only could have inspired; and it is they who with admiring elaboration have recounted the deeds of him they love, and dwelt upon his faithful



service—to all of which he himself rarely refers, seeming to hold it in very light esteem.

Mr. Barkley had also come to New York, and was at that time doing a rather small business in grain. To him young Wheeler applied for a position ; and although the business hardly warranted the employing of any additional help, his application was not refused, and a position as collector at a small salary was given him. “In this position,” says Mr. Barkley, “he displayed the same conspicuous energy, integrity, and inborn politeness which had always distinguished him and which made him very useful to me. He had a faculty of studying your interest, and nothing ever deterred him from entire devotion to it.” But though this association was most pleasant, and employer and employé were strongly attached to each other, yet both recognized that the position did not afford sufficient prospect of future advancement for it to be regarded as a permanent one. General Devin had not lost sight of his young quartermaster, and was watching his career with great interest. He too felt that the young man must have a wider field for the exercise of his abilities. Meeting one day the senior member of the large house of Holt and company, flour and commission merchants, he said : “If you can make a position in your house for Mr Wheeler you will get a valuable man. He is a good son, and has passed through the war without acquiring any soldiers’ vices; his integrity is undoubted, and his energy and business ability have been signally shown in the quartermaster’s department in which he served.” A short time after this Mr Robert S. Holt approached Mr Barkley on ‘change one day and inquired whether he could dispense with Wheeler’s services. I again quote Mr Barkley’s words : “I frankly told him that Mr Wheeler had become exceedingly useful to me, but that his merit was of a high order, and if the young man could be given a better opening it met with my approval.” Noble words

these, a credit to the generous heart from which they came, and a deserved tribute to faithful service.

And so it came about that in February 1869, Mr Wheeler entered the employ of Holt and company, in which he remained till February 1878, "during which time," in the words of Mr Robert S. Holt, to whom I am indebted for valuable data, "he justified the high commendation bestowed upon him by his friend General Devin, and won the solid regard of the firm. and of those with whom he was brought into contact by business." Space does not permit the record of these nine years of labor in the counting-room and on change; but his course was steadily upward, and at their end he had gained one of the first objects of his ambition by being admitted to a partnership in the firm.

Meantime another important step had been taken. In 1870, after Mr Wheeler had been with Holt and company about a year, he married Harriet Macy Valentine, whose birthplace was Nantucket, Massachusetts, but who had likewise become a resident of New York city. In the home thus established, recipient in fullest measure of that sympathy, help and inspiration which it is the true wifely office to impart, his life was at length rounded out and made complete. Children came; first a son, who died in infancy; then a second son, whose boyhood developed every charm of mind and endearing grace of heart and character, and whose death at thirteen years of age brought to the parents their one great and abiding sorrow; and then two daughters, now entering with fair and gracious promise into the precincts of young womanhood.

The partnership in the firm of Holt and company, with all its flattering prospects, was destined to be of short duration. It had existed but little more than a year when duty's voice called the junior partner to other labors, and he responded to the call. The death of his brother-in-law, R. M. Valentine, late of the

firm of R. H. Macy and company, laid upon Mr Wheeler the duties of executor of the estate, and upon these he immediately entered; while at the same time he joined with the surviving partner, C. B. Webster, in the purchase of the great drygoods business of R. H. Macy and company. In the large and varied business of that house he found at length a fitting field for his organizing and administrative abilities through which the already extensive business was increased with a prosperous growth. The faculty of winning the confidence and regard of his subordinates, which I have already pointed out as a striking trait in his character, was now brought into prominence, and largely through its exercise the business of the house was conducted with remarkable harmony and *esprit de corps* among the small army of people employed in it. This, together with his strong vitality and buoyancy of temperament, contributed much to his individual success as well as to that of the vast establishment itself. This latter, it should, or it may be, said in passing, was the original of those enormous emporiums of the retail drygoods trade which, as its more or less successful imitators, have sprung up in most of the large cities of the land, and which constitute one of the marvels of the modern mercantile world. A business at once of vast proportions and of infinite detail, spread out over acres of surface, and with a literal army of employés, it demands of those who succeed in it a combination of qualities and powers, physical as well as mental, as rare as the success which such are able to command is masterful and preëminent. It is scarcely thirteen years since the young book-keeper from Troy walked the streets of the metropolis without money or prospects; now he is at the head of one of the greatest of New York's business establishments, and success in golden streams is pouring in upon him.

In the fall of 1882, three years after entering the firm of Macy and company, Mr Wheeler made a trip

to Colorado. It was doubtless for pleasure and recreation, certainly not with any business end in view, and least of all with any thought of investing in the mines—of which he, in common with eastern men generally, entertained no very high opinion. He visited Denver, then very dull consequent upon the recent collapse of the great mining boom; and also Leadville, where, if the mad excitement and speculation of the preceding years had gone never to return, there still remained a solid industry giving evidence of healthful growth and permanent prosperity. Lastly he visited Manitou, finding rest and refreshment at its sparkling springs, and drawing inspiration from the cañon-riven mountains and from the majestic presence of Pike's peak.

If fate has pursued him across the continent to this peaceful retreat among the mountains, it at least now appears to him in friendly guise. In Manitou he meets a relative of a friend of his, an artist by profession, who had come to the country a year or two before, and who in his wanderings had become interested in a new and obscure mining region beyond the snowy range. The artist was poor—though, being a good artist, that was little to his discredit; but when Mr Wheeler acceded to the proposition to purchase a controlling interest in two mines near Aspen, of whose location and value, present or prospective, he would have had quite as exact knowledge had the mines been in Kamchatka, we may be sure it was the kind and generous heart rather than the clear business head which prompted the act. And after presenting the artist friend with a one-eighth interest in the mines, he returned to New York without having had so much as a look at his new possessions. But the spell of the great new west was upon him; and so we find him the following summer again crossing the plains for Colorado, this time accompanied by his family, which he located at Manitou, after which he and his friend Mr Holt set out for Aspen.

That the reader may understand more fully Mr Wheeler's subsequent career in Colorado, I must now turn for a moment to the Aspen region, and sketch briefly its history up to the time of that, to the whole of northwestern Colorado, memorable and fateful visit.

Midway in Colorado the continental divide or great snowy range of the Rocky mountains, in its sweep from north to south, sends off to westward a great spur, which for the first fifty miles of its extent is even more rugged and precipitous than the main range itself. This is known as the Elk Mountain range; and on one of the foothills of its northern slopes some rich float was found by prospectors in the fall of 1879, whose reports created no little stir in Leadville and Denver where the mining fever was then running its violent course. The fact that the new region was close to the Ute reservation, if not indeed actually within its limits, and that some prospectors had been driven off by Indians who resisted their encroachments, served rather to stimulate interest in the new region, and to multiply plans for its conquest the following season. Even before the snow had melted from the trails the prospectors began to pour into the little town of Aspen, which had been started the preceding autumn, but abandoned for the winter; and the summer and autumn witnessed the same mad rush to stake claims, the same wild excitement in town lots, the same elaborate schemes for general improvement which mark the early days of every new mining region, modified somewhat however in this case by its singular inaccessibility. For it will be remembered that the region is cut off not only from the east but from the south as well by culminating ranges with naked crests rising high above timber line, over which wagon-roads, and these little better than trails, had as yet been built; while the best of wagon-roads, so difficult was even the lowest pass, could furnish but costly and for much of the year perilous transportation. Three years had more



than sufficed for this excitement to run its course, and the hard facts to be made manifest. These in brief were that the mines had fallen far short of expectations. Some rich ore had been found, but the greater part was of too low a grade to stand the costly transportation across the mountains by pack train. Nor was there any great amount even of this in sight; for the little smelter built by some early enthusiasts had never even been blown in. The owners of the claims, having done all they could, and still for the most part retaining great confidence in the camp, were utterly discouraged at the failure of Denver and Leadville capitalists to share their opinion, and were sitting down bemoaning their hard lot. In the summer of 1883 Aspen did not contain over six hundred people, while the entire northwestern portion of Colorado could have mustered scarcely a hundred more. And perhaps the general stagnation and discouragement found no more striking expression than in a transaction which occurred about that time. One-third of the Aspen mine, the phenomenal riches of which were soon to dazzle the camp and the state—one-third of this great mine which is to-day producing at the rate of two hundred and twenty-five thousand dollars monthly was sold for a load of lumber.

Such was the state of affairs at Aspen when Mr Wheeler and his friend Holt arrived there early in the summer of 1883. The beauty of the camp and the grandeur of the mountains which almost surround it greatly impressed them. With his keen business perceptions Wheeler soon mastered the situation. He became convinced that the mines were rich, that development only was needed to prove this, and that if a way could be devised to encourage the miners to work their claims the future of the camp was assured. Believing that the abandoned smelter must play a part in this he forthwith bought it; and a considerable interest in the Spar mine, then showing the most development of any in the camp, was likewise added



to his possessions. The party were in Aspen but a few days; but the stage on which they climbed for the return journey across the mountains pulled out of a town already quickened with a new life—such had been the inspiration of their presence and the confidence begotten thereby.

Mr Wheeler's interest in the future of Aspen and its mines was now thoroughly aroused. Returning to New York and to his labors in the great establishment, he yet found time in the next two or three weeks to interest his partner, C. B. Webster, and to organize the Aspen Smelting company, in which the three men invested fifty thousand dollars each. At this time, also, he became acquainted, through a mutual friend, with W. B. Devereux, a graduate of the Columbia school of mines, and who had gained wide experience in mining and smelting operations. The result of this meeting was that Mr Devereux was engaged to take charge of the Aspen smelter as metallurgist, and he at once set out in company with Wheeler for Aspen. Proceeding, in accordance with Mr Wheeler's plan to stimulate development to examine the mines of the camp for the purpose of ascertaining what ore could be counted on for a regular supply for the smelter, a most discouraging state of affairs was shown to exist. Devereux reported that there were barely ten tons of ore in sight in the whole camp, that what little there was contained many refractory elements, and that it would be practically impossible to get any amount of ore that would make a good smelting mixture. This seemed like a Waterloo indeed; and most men, I fancy, would have surrendered then and there. But that invincible determination which we have already had occasion to notice as one of Mr Wheeler's prominent traits asserted itself at this juncture, and he refused to entertain the idea of defeat. In reply to his inquiry as to what could be done, Devereux said that the only chance was to furnish a market for all ore that could be taken

out, regardless of whether it was suitable for smelting or not ; and pile it up till, by reason of the development which it was hoped would thereby be stimulated, a regular supply should be forthcoming. "It is only a chance," said Devereux ; "it will take a great deal of money, and it may fail—but it is the only chance." A moment's consideration only, but the fate of Aspen hung on the decision. "I'll risk a hundred thousand in it," said Wheeler, quietly. "Buy ore till I tell you to stop," were his instructions. The order to stop was never given.

The ore market was accordingly opened and the wisdom of the plan soon became apparent. The miners took fresh courage and began to work the properties that had lain dormant for several years. Every pound of ore could be turned into ready cash, and with the cash, shaft and tunnel were pushed deeper and further into the great limestone strata of Aspen mountain. Soon important strikes began to be made. First, the Spar became a producer ; then the Chloride ; then in rapid succession came strikes in the Washington No. 2, the Vallejo, the Emma, and the Aspen which fairly took the town's breath. Still the Aspen Smelting company continued to buy the ore—good, bad, and indifferent, free smelting and refractory—as fast as it came, till the hundred thousand dollars had been multiplied by five, and nothing to show for it but some heaps of dull rock. This had gone on about a year when, in July 1884, Mr Devereux concluded the smelter might be blown in. It is doubtful if ever a smelter was started under conditions so difficult. The ores were very refractory, containing little lead and no iron. Fluxing material must be hauled from Ashcroft, a distance of fifteen miles, while the coke had to be packed on burros and brought from Crested Butte, one hundred miles away, and over a pass thirteen thousand feet above the sea.

This was smelting under difficulties, indeed, and could be carried on only at a serious loss, which even

the great benefit accruing to the general interests of the camp might not be sufficient to justify. The necessity of having cheaper fuel had been foreseen by Mr Wheeler, and he had early set about getting it, if possible. It was known that coal outcropped at various points in northwestern Colorado, and it was surmised that these outcroppings indicated a continuance of the great veins of anthracite, bituminous, and coking coal which, a year or two before, had been opened at their southern extremity at Crested Butte; but nothing had as yet been done in the way of their development north of the Elk mountains. As early as the fall of 1883 Mr Wheeler began to investigate the matter, and caused various samples of the coal to be tested. Finding that the coal from a point about thirty-five miles from Aspen—and since known as Jerome Park—was suitable for coke, he purchased a tract of land at that place, and began the development of the property and the erection of coke ovens. This latter was an undertaking of no small magnitude, since all the fire-brick for the ovens had to be transported by rail a distance of 250 miles from Denver to Granite, and thence by wagon to the coal fields, a distance of eighty miles, and over Independence pass, 12,000 feet above the sea. Nevertheless these ovens, probably the most costly ever erected in the state of Colorado, were duly completed and the manufacture of coke successfully inaugurated in the fall of 1884, and the smelter continuously thereafter supplied. By the aid of the cheaper fuel this latter became, considering the difficulties it had to contend with, a conspicuous success. It has produced bullion to the value of \$1,800,000, and from ores for the most part exceedingly refractory.

Meantime, while the smelter even considered alone was proving a success, this was insignificant when compared with the tremendous strides the camp was making in the development of its mines, the beginnings and the inciting causes of which I have already

set forth. Aspen soon became famous, and people began to say that a worthy rival to Leadville had at length been found. Success being assured, capital came in freely enough, and began to compete for the rich prizes. In spite of the multitude of his cares, Mr Wheeler had found time to pick up interests in a large number of mines and prospects, the names of which would make a long list; and among these were soon found a majority of the bonanzas of the camp. Unthinking people said it was luck; these surely were not as well acquainted with Mr Wheeler as my readers should now be, if I have been a faithful chronicler, else they would have known that the qualities of intellect and will which commanded this success had no manner of kinship with the fickle goddess.

This is not the place for extended reference to the history of the Aspen mines, though the great and even romantic interest of the subject might seem to justify it. The record would contain much that might subject the sober historian to a suspicion of dealing in the fabulous; but a few facts may be not inappropriately given. The Aspen mine in particular had a notable career. It will be remembered that one-third of this property was once sold for a load of lumber. Shortly afterward it was leased for a period terminating February 22, 1885, in which lease Mr Wheeler had a half interest. Up to January 1st of that year the search for ore had been in vain. Five days later a large body was encountered, and during the next six weeks 500,000 ounces of silver, in ore averaging 150 ounces and containing twenty per cent. lead to the ton, were hoisted through a small shaft by a ten-horse-power engine. The mine has already yielded a round two million dollars, and at the present time, 1890, is producing \$225,000 monthly. Scarcely less notable is the record of the Emma mine, which paid its owners \$411,000 in fourteen months. In both of these properties, as well as in the Spar, Val-

lejo, Hidden Treasure, and many others, Mr Wheeler was and still continues to be, to a greater or less extent, interested.

Nor can I more than refer to the long and costly litigation in which the more prominent of the Aspen mines early became involved, and in which, of necessity, Mr Wheeler was obliged to take a conspicuous part. It grew out of the exceptional character of the mineral-bearing veins or deposits found in the Aspen region, and the alleged failure of the mining laws to apply to such with distinctness. "Apexers" on the one hand and "side-liners" on the others trove to maintain their respective positions; and meantime the development of the camp was greatly retarded. The most important of these suits—involving title to the Aspen, Emma, and several other adjoining mines—was finally settled by compromise early in 1888; and the result of this happy consummation was at once seen in the enormous increase in the camp's output, which from \$850,000 in 1887 sprang at a bound to \$7,500,000 the following year.

The absence of railroad facilities had been a serious drawback to the rapid development of northwestern Colorado. The Denver and Rio Grande railroad had been diverted by the early mining excitement in the Gunnison country from the transcontinental route via Tennessee pass and the valley of the Grand, which it had originally intended to occupy; and though it had completed a line to Gunnison City and Crested Butte in 1882, this was well-nigh valueless to the region in question by reason of the lofty barrier of the Elk mountains, which lay between. It is true that the Denver and Rio Grande had laid its rails over Tennessee pass; but after descending the Pacific slope but a few miles it had halted at the mining town of Red Cliff, and showed every symptom of being content with its achievement. Meantime a group of Colorado Springs capitalists had projected a line of railway from their city to Leadville, and were



struggling to get the enterprise upon its feet. Mr Wheeler's aid was sought, and he at once insisted that unless the proposed line be extended to Aspen the project would fail of success, but if this were agreed to he would give it his hearty support. The wisdom of this was recognized, and a decision made in accordance therewith. Mr Wheeler believed in the enterprise, and lost no time in associating himself with it; and it was due in no small measure to the aid and encouragement—financial and otherwise—which he gave it that the Colorado Midland railway, begun in 1886, became in less than two years an accomplished fact. It may be stated further that the faith of those who projected and pushed to completion this great enterprise is already beginning to be justified. The development of the country which it penetrates is proceeding with rapidity, and the extent and value of the various resources of the region are seen to have been in nowise overestimated. That the Colorado Midland railway, with its 250 miles of standard gauge track, is destined to be an important link in transcontinental traffic is no longer a matter of uncertainty; for the trunk lines are already stretching long arms across the plains to connect at Colorado Springs with this cañon-threading and mountain-climbing railway. Its completion to Aspen and Glenwood Springs early in 1888 afforded to those points ample railway facilities, and caused the immediate railroad development of northwestern Colorado; for the Denver and Rio Grande, spurred by the presence of a rival in the field, lost no time in extending its line into the same territory. Mr Wheeler was made first vice-president of the Midland railway, and resigned that office only when his larger interests in the Grand River Coal and Coke company made such a step desirable. This latter company, of which Mr Wheeler is president, and in which he is a large stockholder, was organized by him in 1886 as an outgrowth of his efforts to secure a cheaper fuel for the Aspen smelter, and has



already became a great and important enterprise. It owns or controls over 5,000 acres of coal land, and its product has been pronounced by men of both English and American experience to be as good as the best. Some of the veins are of phenomenal size, one at New Castle measuring forty-five feet in thickness of solid bituminous coal, while the nine veins which here lie in parallel strata, and one of which is the mammoth vein above referred to, have a combined thickness of eighty-eight feet. The several workings are capable of producing 2,000 tons per day of coking, domestic, and steam coal, which is already finding a market as far east as the Missouri river; while the 250 coke ovens are turning out an article equal in quality to any manufactured in the United States, and second only to the Cardiff coke of England.

It would seem that the inception and realization of these great enterprises might well alone have filled the thought and indeed made severe drafts upon the health and strength of a man less generously endowed; but these comprise only a part of Mr Wheeler's wide-reaching operations. He early established a banking house in Aspen, and took an active interest in developing the famous hot springs at Glenwood, where costly and elegant bath-houses have been built to make available the healing waters. Aspen and Glenwood have been supplied with water and electric lighting largely through his instrumentality; and to his public spirit also are the citizens of Aspen indebted for a beautiful opera house. Extensive land operations in Pueblo, Salt Lake City, Ogden, and Colorado Springs, and the more recent establishment of banks both in Manitou and Colorado City bear further testimony to the wide range of his activities, and to the strength of his grasp upon affairs. And the reader scarcely needs to be told that his operations have been signally successful, and that wealth in abundance is rewarding his labors. Unlike so many eastern men who have been successful in mining ventures in the

west, Mr Wheeler has reinvested the greater part of his returns in the state whence they have been derived, thus assisting the further development of its resources, and hastening that future of widespread and deep-rooted prosperity in which he has an abiding confidence.

Until January 1, 1888, Mr Wheeler remained in the firm of R. H. Macy and company, and abated no jot of the labor and responsibility which, as we have seen, was thereby necessitated. His vast and varied enterprises in Colorado, and his no less important interests in New York, compelled almost constant journeyings back and forth, and required mental and physical efforts which few could have sustained. Friends remonstrated, anxious less even his robust constitution might not be adequate to the strain. Finally his physician presented the ultimatum, New York or Colorado, and a choice must be made. Reluctantly the New York connection was severed, and he withdrew from the house whose business, already enormous when he entered it, had been more than quadrupled in the nine years during which its operations had been directed, in large measure, by his ceaseless energy.

Whilst this record of struggle and achievement has been full of interest, I have nevertheless written it to but little purpose if the reader has not gained thereby some clear conception as to the character of this truly remarkable man. In the light of his life and deeds he stands before us a man of unflinching determination, gifted with almost unerring foresight, and truly preëminent in a knowledge of men and affairs. With an established business that would have sufficed to tax to the uttermost the energies and satisfy the ambitions of any ordinary man, he did not hesitate to seize the larger opportunities presented in a virgin section of the great west, and with boldness and vigor proceed to mould these into forms of enduring value. That Jerome B. Wheeler caused the

natural development of northwestern Colorado to be anticipated by several years, and that it was he who laid down the lines upon which this development is to-day being pushed with marvellous result, no one who has any knowledge of the facts would desire to gainsay; and the state at large owes him no inconsiderable debt of gratitude.

But our portrait is not yet complete; the fairest colors are yet to be added. Rich as is the dower of intellect, richer yet and broader is the affectional nature. Warm-hearted and generous to a fault, this man of multitudinous concerns and engrossing cares has the woman's ready tear of sympathy. His charities and benefactions are wide and comprehensive. The generosity which never fails the needing friend or loses sight of the infirm or disabled employé, finds expression as well in his business relations. Far from him is the desire to lay a single stone in the structure of his own fortunes which must be taken from the ruins of another's failure; rather does he build with the virgin rock, quarried by his own hands. And in this building he desires his friends to have a part. His old comrades of the war have one by one been sought, and to-day form a little company of lieutenants yielding him a hearty and loyal service; and their commander is never so happy as when these are keeping step with him, as in the army days gone by, but now along the avenues leading to success. Thirty-five years of contact with the world have not served to shake an abiding faith in human nature; and no injuries, not even those inflicted by the venomous shafts of detraction for which the man of conspicuous success must needs ever be a target, can poison the sweet springs of his nature or inspire a resentful thought.

Jerome B. Wheeler is but fifty years of age. He is in the very prime of life, of vigorous health, and in the midst of a wide-horized achievement.











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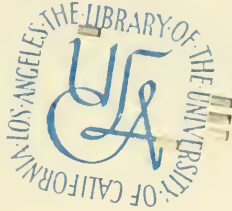
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